



This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

Usage guidelines

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

- + *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.
- + *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.
- + *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.
- + *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

About Google Book Search

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at <http://books.google.com/>

LL

KF 26

.F5

1911b

no. 1-5

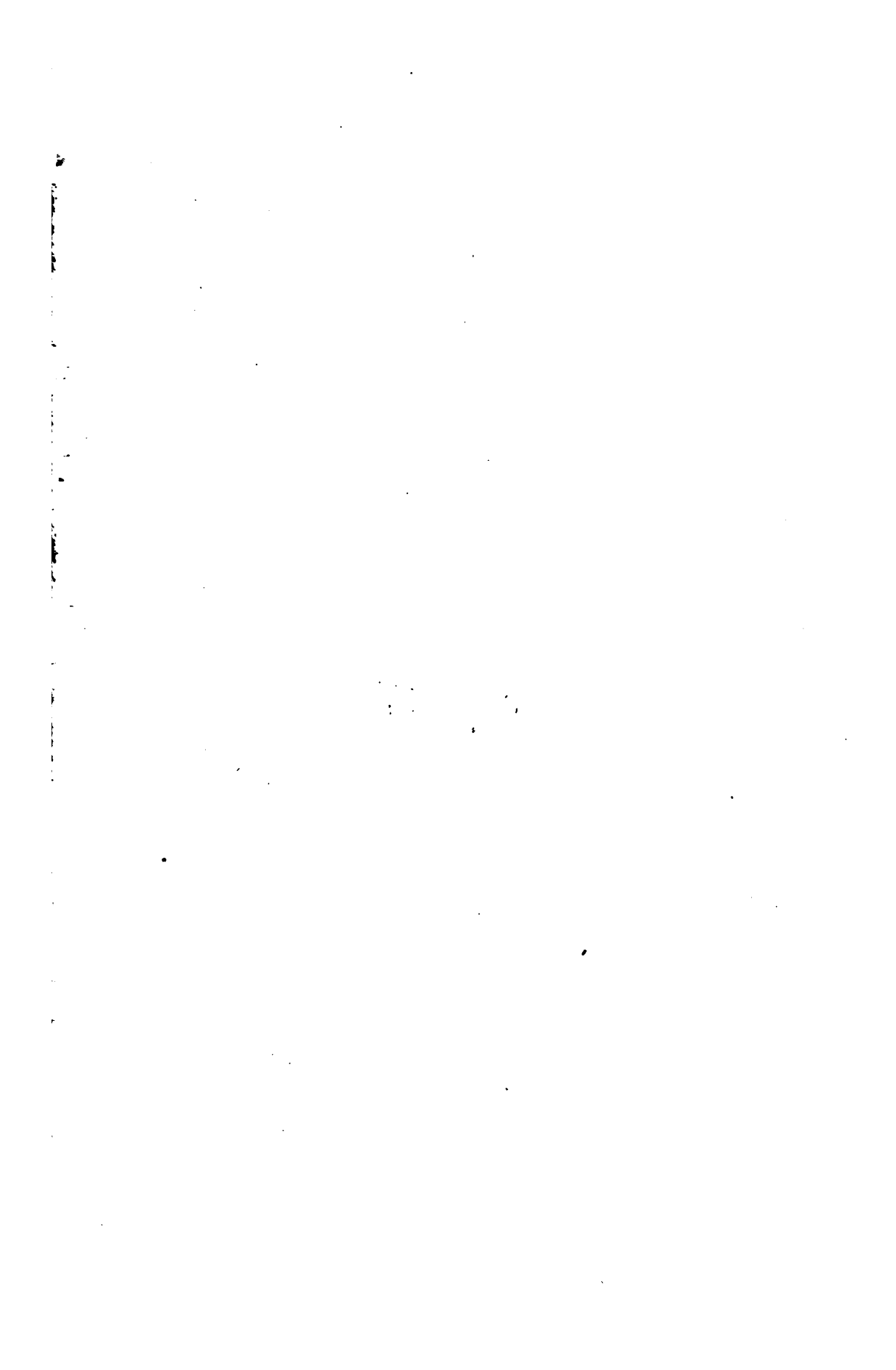
Copy 1



Class _____

Book _____





HEARINGS ON THE TARIFF

BEFORE THE

COMMITTEE ON FINANCE

OF THE

UNITED STATES SENATE

ON

HOUSE BILL 4413

SIXTY-SECOND CONGRESS

SECOND PRINT No. 1

WEDNESDAY, MAY 3, 1911



WASHINGTON
GOVERNMENT PRINTING OFFICE
1911

437
951

4E 2651
138503 A5
1911

COMMITTEE ON FINANCE.

UNITED STATES SENATE.

BOIES PENROSE, *Chairman*.

SHELBY M. CULLOM.	JOSEPH W. BAILEY.
HENRY CABOT LODGE.	F. M. SIMMONS.
PORTER J. McCUMBER.	WILLIAM J. STONE.
REED SMOOT.	JOHN SHARP WILLIAMS.
JACOB H. GALLINGER.	JOHN W. KERN.
CLARENCE D. CLARK of Wyoming.	CHARLES F. JOHNSON of Maine.
WELDON B. HEYBURN.	
ROBERT M. LA FOLLETTE.	

W.D.S. Jan 29/12
T.C.

HEARINGS ON THE TARIFF.

COMMITTEE ON FINANCE,
UNITED STATES SENATE,
Washington, D. C., Wednesday, May 3, 1911.

The committee met at 10.30 a. m., Hon. Boies Penrose in the chair.
Present: Senators Penrose (chairman), Lodge, McCumber, Smoot, Gallinger, Clark of Wyoming, Heyburn, La Follette, Bailey, Simmons, Stone, Williams, and Johnson.

Present also: William D'Oench, jr., representing the Friedman-Shelby Shoe Co., of St. Louis, Mo.; Milton S. Florsheim, representing the Florsheim Shoe Co., of Chicago, Ill.; Jackson Johnson, esq., representing the Roberts, Johnson & Rand Shoe Co., and W. F. McElroy, esq., representing the Hamilton-Brown Shoe Co., of St. Louis, Mo.

The committee thereupon proceeded to the consideration of bill H. R. 4413.

The CHAIRMAN. Gentlemen, we will now proceed.

Senator STONE. My attention was called this morning to a matter that ought to be included, if it is not, in this publication. I am told that the report of Mr. Walker, Secretary of the Treasury in 1845, is ordered to be included.

The CHAIRMAN. That is my understanding.

Senator STONE. But there is another report of Mr. Walker—1848—that is really a more important one, and it is dated February 11, 1848, and I would like to have that incorporated.

The CHAIRMAN. If there is no objection, that will be included in the document.

The committee is called here this morning for the purpose of suiting the convenience of those who may be in Washington and desire a hearing on pending tariff legislation.

As I understand it, the hearing this morning is more particularly on the free-list measure, and it comes up in this connection, so far as it may have any bearing on the reciprocity bill.

Senator La Follette, you have some people who want to be heard; are they here?

Senator LA FOLLETTE. There are some gentlemen here from Chicago and some from St. Louis.

The CHAIRMAN. The committee is prepared to hear them in their order:

STATEMENT OF WILLIAM D'OENCH, JR., ESQ., OF ST. LOUIS, MO., REPRESENTING THE FRIEDMAN-SHELBY SHOE CO.

The CHAIRMAN. Will you state your full name to the committee?

Mr. D'OENCH. William D'Oench.

The CHAIRMAN. Where do you live?

Mr. D'OENCH. In St. Louis.

The CHAIRMAN. What is your business?

Mr. D'OENCH. Manufacturer of boots and shoes.

The CHAIRMAN. Will you proceed?

Senator SMOOT. What is the name of the firm?

Mr. D'OENCH. The Friedman-Shelby Shoe Co.

Senator SMOOT. What grade of shoes do you make?

Mr. D'OENCH. We manufacture practically all kinds—men's and women's shoes, medium grade, some fine grade, and some middle-priced grades.

Senator SMOOT. Any children's shoes?

Mr. D'OENCH. Yes, sir. These gentlemen here are all shoe manufacturers, in St. Louis and Chicago and Milwaukee and Grand Rapids, and the Middle West. There are no eastern manufacturers here.

This bill is House bill 4413 and it provides, in lines 17 to 24, that all leathers made from hides of the bovine species, including calfskins, shall be admitted free of duty.

Senator SIMMONS. That is the free-list bill you are talking about?

Mr. D'OENCH. That is the free-list bill I am talking about.

However, leather made from goatskins, kangaroo skins, horsehides, japanned or patent leather, or leather made from any other animal skins, continues to be dutiable according to the present tariff.

These same leathers remaining dutiable under this measure, when cut into shoe uppers, or other forms suitable for conversion into shoes, are admitted free.

In other words, the raw material bears a duty, and the same material, when partly manufactured, comes in free. The effect of this would be to discriminate against the American workmen.

Now, to illustrate: An American shoe manufacturer can organize a cutting establishment in Great Britain, where he can cut shoe uppers from leathers such as goatskins, kangaroo skins, horsehide, or japanned or patent leather, or leather made from any other animal skins, which, under the present measure, remain on the dutiable list, and then import these "uppers" free of duty. The leather itself pays a duty, but he can cut them in England and bring the cut uppers into the United States free of duty, which constitutes a discrimination.

Two years ago the tariff on shoes was reduced from 25 to 15 and 10 per cent. Now it is proposed to put shoes on the free list, providing they are made of leather manufactured from cattle hides, of the bovine species, including calfskin, but it continues the duties on shoes made of goatskins, horsehides, kangaroo skins, japanned or patent leather and fabric shoes, shoes made of cloth, and fancy shoes.

Now, the average duty on wearing apparel is 60 per cent; some of the duties, for instance on hats, 50 per cent; on handkerchiefs, 50 or 60 per cent; on shirts, 60 per cent; all underwear, 55 per cent; clothing, including all kinds of garments, 60 per cent; hosiery, 55 to 60 per cent, and shoes, 10 to 15 per cent.

Now, in all fairness and justice, the duty on shoes really ought to be increased in place of being annulled.

The low duty, as it stands to-day, would seem a penalizing of an industry in which, above all other industries, there has been free and open competition.

Since the duties have been lowered on shoes from 25 to 15 and 10 per cent, the importations of the same have begun in larger quantities, and there is every evidence that we shall soon witness a steady and increased importation of footwear.

Senator SIMMONS. Have you the amount of importations since the Payne-Aldrich bill went into effect?

Mr. D'OENCH. We looked that up yesterday, and, if my memory serves me rightly, I think it was \$170,000 and odd, in the last nine months for the year ending December 10.

Senator STONE. No; six months.

Senator SIMMONS. \$170,000? What was it during the same period of the year 1909, under the old law?

Mr. D'OENCH. The total importations during the previous year—that is, 1909—was \$104,000.

Senator SIMMONS. During the whole fiscal year?

Mr. D'OENCH. During the whole year.

Senator SIMMONS. \$106,000?

Mr. D'OENCH. \$104,000, and for the six months ending December 31, \$177,507.

Senator CLARK. What effect has that had on the price, that increased importation?

Mr. D'OENCH. I do not know that it has had, as yet, any effect, because it is too soon. It is too early to say just what the effect would be.

Senator McCUMBER. What kind of shoes are imported?

Mr. D'OENCH. I think different kinds are being imported; that includes all kinds, some fabric shoes, some low-grade men's shoes—those are the principal ones, I think, that are imported.

The CHAIRMAN. Do you recall the amount in value of shoes that are exported?

Mr. D'OENCH. Yes, sir. The amount has varied between nine, ten, and eleven and twelve millions of dollars in different years, and those shoes have gone largely, except some fine shoes that went to Europe, which were sold in some of the fine shoe stores in the great continental cities of Paris, Berlin, and London, sold largely to American tourists; with that exception they have gone largely to countries in South America, Mexico, and places of that kind, where we are not in quite as severe competition as we would be in Europe.

Senator GALLINGER. These importations come from England?

Mr. D'OENCH. From England and France.

Senator GALLINGER. I notice in a recent issue of the consular publications that the Nottingham district in England has largely increased its importations of shoes to the United States.

Mr. D'OENCH. Yes; they have; and they are prepared to still further increase them.

Senator McCUMBER. It is only the cheaper grades of shoes that they import?

Mr. D'OENCH. Who import?

Senator McCUMBER. Which are imported from England.

Mr. D'OENCH. Imported to this country?

Senator McCUMBER. Yes.

Mr. D'OENCH. It is the medium grade and not fine shoes such as you or I wear.

Senator McCUMBER. What class of people do wear them?

Mr. D'OENCH. They will be worn by the mechanics and well-to-do farmers, who are wearing pretty good shoes now. They retail from \$3 and \$3.50 to \$4 a pair.

Senator SMOOT. The shoes they bring over here are generally the laboring men's shoes?

Mr. D'OENCH. Not the real cheap shoes; they have not brought them over as yet, as I know of; not brogan shoes.

Senator McCUMBER. It is not the coarse, cheap shoe?

Mr. D'OENCH. That shoe is declining in sale, anyway. Those shoes are running out. The people are buying less and less of them from year to year, and the sale of them is declining very fast.

Senator STONE. If Mr. D'Oench will permit me, I think this is a very good place to insert some figures as to imports and exports, as I have taken them from the statistics furnished me by the Bureau of Statistics. I find that during the year ended June 30, 1909, the imports were \$105,080.74; for the year ended June 30, 1910, \$171,807.35; for the six months ended December 31, 1910, \$177,505.16.

The exports for the corresponding period, 1909, were \$10,305,814; 1910, \$12,804,575; for the nine months beginning July 1, 1910, and running to March 30, 1911, inclusive, \$9,906,547. If for the remaining three months of the current fiscal year the exports should continue at the same general average per quarter or per month they would amount at June 30 to \$13,208,692.

I would like to ask Mr. D'Oench if he can state what proportion of this export goes to Europe, and what to the other countries?

Mr. D'OENCH. I am not in a position to answer that question. I do not know how much goes to Europe and how much to the other countries.

Senator STONE. I would say, looking it over last night—though I have not taken the figures down—I found that to England, or rather to Great Britain, about two and one-half millions were sent; to Germany, something less than \$700,000, and to France and Austria, as I recollect it—well to the four countries—the amount sent was approximately three and one-half millions.

Senator SMOOT. I thought it was a little over three millions. That is a little more than I thought it was.

Senator STONE. I am stating it approximately. I am not undertaking to give the exact figures, because I did not write them down.

The CHAIRMAN. You may proceed Mr. D'Oench.

Mr. D'OENCH. Since this duty was reduced on shoes from 25 to 15 and 10 per cent, the importations of the same have begun in somewhat larger quantities, as you will see from these figures here, and the exportations are almost stationary.

Senator SIMMONS. Does not it appear from the figures that the exportations are increasing?

Mr. D'OENCH. I do not think so. There is a material difference in the percentage. The increase of importations is a much larger percentage than the increase of exportations.

Senator STONE. Comparing the figures for 1909, the increase for the following year, ended June 30, 1910, was about \$2,500,000; assuming that the exports for the current year were \$13,000,000 and odd, the increase over 1909 would be about \$3,000,000.

Senator SIMMONS. That is an increase upon the basis of \$9,000,000.

Mr. D'OENCH. We fear that since this has occurred, this increase under the present duty of 10 and 15 per cent, what will happen if this remaining small protection is removed?

According to the United States consul's report the average cost of production of a medium-grade man's welt shoe in England approximates 28 cents per pair. The cost of production of the same grade of shoe in the United States approximates 49 cents per pair.

The British manufacturer has access to many materials entering into the construction of shoes free of duty, whereas the American producer has to reckon with the tariff on many of these articles, according to a list which I have here, for the present measure contemplates no change in the duties now existing on these items.

This is a list of the items, with the duties, that are needed in the manufacturing of shoes:

Shoe blacking, 25 per cent ad valorem.

Box toes, of sole leather, cut in form, 15 per cent ad valorem.

Buttons, shoe, if made of paper board, papier-mâché, pulp, or other similar material, valued at not exceeding 3 cents per gross, 1 cent per gross.

If made of metal, horn, or glass, three-fourth cent per line per gross and 15 per cent ad valorem.

Counters, 15 per cent ad valorem.

Cement, rubber, 20 per cent ad valorem.

Cordivan, upper leather, 15 per cent ad valorem.

Duck—and that is shoe lining—2½ cents per square yard.

Shoe dressings, 25 per cent ad valorem.

Enamel and patent leather, if weighing not over 10 pounds per dozen skins, 27 cents per pound and 15 per cent ad valorem.

If weighing over 10 pounds and not over 25 pounds per dozen skins, 27 cents per pound and 8 per cent ad valorem.

If weighing over 25 pounds per dozen skins, 20 cents per pound and 10 per cent ad valorem.

Eyelets, brass or steel, 45 per cent ad valorem.

Enameled, 45 per cent ad valorem.

If covered with celluloid, 65 cents per pound and 30 per cent ad valorem.

Flannel, 3½ cents per square yard.

Goring, if made of cotton, flax, or other vegetable fiber, 60 per cent ad valorem.

If made of silk, 60 per cent ad valorem.

Glue, if valued over 10 cents and not over 35 cents per pound, 25 per cent ad valorem.

Horsehide, upper leather, 15 per cent ad valorem.

Heels, of sole leather, cut in form, 15 per cent ad valorem.

Hooks, 45 per cent ad valorem.

Insoles, of sole leather, cut in form, 15 per cent ad valorem.

Kid leather—that is, goatskin—15 per cent ad valorem.

Kangaroo, upper leather, 15 per cent ad valorem.

Lifting for heels, of sole leather, cut in form, 15 per cent ad valorem.

Laces, if made of leather, 50 cents per gross pairs and 10 per cent ad valorem.

If made of cotton or other vegetable fibers, 25 cents per pound and 15 per cent ad valorem.

If made of silk, 50 per cent ad valorem.
 Nails, cut, four-tenths cent per pound.
 Hobnails, $1\frac{1}{2}$ cents per pound.
 Sewing-machine needles, \$1 per 1,000 and 25 per cent ad valorem.
 Oilcloth, 8 cents per square yard and 20 per cent ad valorem.
 Outsoles, of sole leather, cut in form, 15 per cent ad valorem.
 Patent Rands, of sole leather, cut in form, 15 per cent ad valorem.
 Rivets, 45 per cent ad valorem.
 Side leather, upper leather, 15 per cent ad valorem.
 Shanks, of steel, 45 per cent ad valorem.
 Shanks, of wood, 35 per cent ad valorem.
 Shanks, of leather board, 40 per cent ad valorem.
 Shellac, bleached or white, in rolls, one-fourth cent per pound and 10 per cent ad valorem.
 Silk, for facings, 50 per cent ad valorem.
 Stays, cloth, if made of flax or cotton, 45 per cent ad valorem.
 If made of leather, 40 per cent ad valorem.
 Skivers, sheepskin leather, if tanned, 15 per cent ad valorem.
 Sole thread, per sample, $22\frac{1}{2}$ cents per pound.
 Stain, 30 per cent ad valorem.
 Top pieces, of sole leather, cut in form, 15 per cent ad valorem.
 Twill, $2\frac{3}{4}$ cents per square yard.
 Twine, $23\frac{1}{4}$ cents per pound.
 Cut tacks, not exceeding 16 ounces per 1,000, five-eighths cent per 1,000.
 Cut tacks, exceeding 16 ounces per 1,000, three-fourths cent per pound.
 Wrought tacks, 45 per cent ad valorem.
 Thread, cotton, white, and black, in skeins, one-half cent per 100 yards.
 Thread, silk, \$1.50 per pound.
 Velvet, $47\frac{1}{2}$ per cent ad valorem.
 Viscol, waterproof liquid, 25 per cent ad valorem.
 Welting, leather, 25 per cent ad valorem.
 Wax, 20 per cent ad valorem.
 Webbing, if made of cotton, flax, or other vegetable fiber, 60 per cent ad valorem.
 If containing wool, 50 cents per pound, and 60 per cent ad valorem.
 Wire, brass, 45 per cent ad valorem.
 Wire, made of steel, 35 per cent ad valorem.
 The following are some of the duties levied by foreign countries on shoes:

Canada	30 per cent.
Mexico	39 cents to \$1.50 per pair.
France	57 to 95 cents per pair.
Germany (estimated)	20 per cent.
Belgium	27 cents per pound.
Austria	20 cents per kilo.
Italy	20 cents per kilo.
Russia (estimated)	\$1 per pound.
Spain (estimated)	\$1 per pound.
Argentina	40 per cent.
Bolivia	45 per cent.
Japan	40 per cent.
Australia	40 per cent.

Whereas the present duty in the United States is from 10 to 15 per cent.

That covers the list of articles that are used besides leather.

Senator HEYBURN. Have you estimated the aggregate cost of all those extras that enter into the making of a pair of shoes?

Mr. D'OENCH. I have not, because they vary a great deal in the different grades of shoes. In a few of them they are not used but in small quantities, and in others they are used in large quantities.

Senator McCUMBER. You do not claim to use all of these articles imported in your shoes?

Mr. D'OENCH. We claim every article there is used in the manufacture of shoes.

Senator McCUMBER. You do not import them all, do you?

Mr. D'OENCH. No; they are not all imported. A good many bear this duty when imported. How many are really imported we do not know, but the duty is here to protect the manufacturer of those articles.

Senator McCUMBER. But, as a matter of fact, you do not import in any great quantity those articles in the manufacture of shoes?

Mr. D'OENCH. No; the position we take, Senator, is this: That the British manufacturer has access to these articles free of duty; he can buy them in the world's market, and they are not protected in any shape or form.

Senator SIMMONS. Do you say, therefore, that they are not much cheaper in the British market?

Mr. D'OENCH. Yes.

Senator SIMMONS. Do you know that to be the case?

Mr. D'OENCH. We do in some instances. For instance, the question of wire. The wire is sold in this country to us by the Shoe Machinery Co. at 38 cents per pound. It is sold in England for about 14 cents per pound.

Senator BAILEY. Applying the same logic, the duty on shoes will make them higher.

Mr. D'OENCH. The duty on shoes now is only 10 and 15 per cent.

Senator BAILEY. I understand. It is not how much higher; it is that they will be higher.

Senator GALLINGER. What is the duty on that wire, that the difference in cost of is so great between this country and England?

Mr. D'OENCH. Brass wire, at 45 per cent ad valorem; steel wire, 35 per cent ad valorem. This wire I refer to is brass wire.

Senator GALLINGER. What does it cost per pound?

Mr. D'OENCH. The cost of manufacturing?

Senator GALLINGER. Yes.

Mr. D'OENCH. I do not know, Senator, how much it costs. I know we can buy it in England at 14 cents a pound.

Senator GALLINGER. Fourteen cents in England and 38 cents in this country?

Mr. D'OENCH. Yes, sir.

Senator SMOOT. Why don't you buy in England, then?

Mr. D'OENCH. Because it is controlled by the Shoe Machinery Co.; the Shoe Machinery Co. is a trust. They own practically all the shoe machines that are used in the manufacture of shoes here.

Senator SMOOT. Do they in England?

Mr. D'OENCH. No; they are independent manufacturers there.

Senator SMOOT. You can buy the wire there at 14 cents and pay the 45 per cent duty and get it for 26 or 27 cents.

Mr. D'OENCH. We could not use that wire if we had it. We would not be permitted to use it, because we have signed a lease agreeing to buy the wire from this company. We must do that in order to obtain these machines. The English manufacturer can obtain a machine that does not require that sort of wire.

Senator SMOOT. The duty has nothing to do with it, then?

Mr. D'OENCH. Yes, the duty is on the machine; the English machine can not be imported.

Senator SMOOT. But we are talking of wire.

Mr. D'OENCH. The same thing holds good of wire. It must be used on this machine.

Senator SMOOT. If you bring the machine in here and pay the duty on the machine, could you buy your wire from England, then?

Mr. D'OENCH. No, sir; because the Shoe Machinery Trust owns practically all shoe machinery used in this country.

Senator SMOOT. That would not be in this country. I mean the English machine.

Mr. D'OENCH. They would not agree to leave the balance of their machines in our factory. They would take them all out.

Senator SMOOT. These machines are used for different purposes than for shoes?

Mr. D'OENCH. Yes; from A to Z.

Senator HEYBURN. You say this trust is in Boston?

Mr. D'OENCH. Yes; in Boston.

Senator HEYBURN. Is it an American organization?

Mr. D'OENCH. Yes, sir.

Senator SMOOT. I suppose those machines are protected by patents?

Mr. D'OENCH. No; the basic patents on those machines have expired.

Senator SMOOT. You say the basic patents. Of course, there are patents that have not expired, or anyone could make them?

Mr. D'OENCH. Yes; but there are machines that could be used that would replace these machines where some of these patents could be eliminated, and the machine does very good work, but we are not permitted to use a machine of that kind.

Senator HEYBURN. Because of your contract?

Mr. D'OENCH. Because of our lease with this company.

Senator HEYBURN. That is, with this Boston company?

Mr. D'OENCH. Yes, sir; and all the shoe manufacturers of this country use its machines.

Senator SMOOT. You spoke of a lease; do you lease your machinery rather than buy it?

Mr. D'OENCH. Yes, sir.

Senator HEYBURN. They will not sell those machines to you, will they?

Mr. D'OENCH. No, sir.

Senator HEYBURN. The only way you can get those machines is to lease them?

Mr. D'OENCH. Yes; some are sold, but very few.

Senator STONE. And then you contract to buy all your material from that company?

Mr. D'OENCH. Yes, sir.

Senator STONE. The lessor?

Mr. D'OENCH. Yes, sir; and the parts, too, you know. We have to buy their parts. In fact, the machine is only leased to us, and they lease it to us and charge us a certain sum of money, and then they furnish the wire and the parts. They charge a royalty on a man's welt shoe. They furnish two machines which perform two operations, one known as welting and the other known as stitching. They charge a royalty of 2 cents a pair, and they have a recording dial on the machine, and they keep a record, besides, and so you pay 4 cents a pair for every pair of shoes made on those two machines. In addition to that you must buy the parts from the company, and finally you must agree that if you go out of business or discontinue you are obliged to take that machine and return it to them and pay the freight charges on it, and they stipulate in their lease that they have a right to take that machine and put new parts on it and put it in order and charge you for those parts; and then they are through.

Senator HEYBURN. If it was not for that contract, could you manufacture or procure these machines elsewhere?

Mr. D'OENCH. I do not think we could in this country. In the first place, there is a 45 per cent duty on the shoe machinery, which makes the machinery very high.

Senator SMOOT. Four cents a pair would soon pay that, would it not?

Mr. D'OENCH. It would, and it would not. We would be obliged to buy other machines from somebody else.

Senator SIMMONS. Can not you get as good a machine in Europe?

Mr. D'OENCH. Yes; we think we can, but, you see, in England the English manufacturer is in a position where he can buy both machines, as I understand the lease. The English law does not permit this company to execute that form of lease there.

Senator SIMMONS. Suppose the duty were abolished on that machinery?

Mr. D'OENCH. I think it would relieve us very much.

Senator HEYBURN. Why can not they be manufactured in this country?

Mr. D'OENCH. They do manufacture this machinery in this country.

Senator HEYBURN. The only restraint is because of the contract?

Senator LA FOLLETTE. You mean they manufacture this English machinery in this country?

Mr. D'OENCH. No.

Senator SMOOT. Let us go back to that question of English machinery. If we were to take the duty off the English machinery, would you use the English machinery?

Mr. D'OENCH. No, sir.

Senator SMOOT. Then—

Mr. D'OENCH. We could use it to advantage.

Senator SMOOT. You can use it now; I say, would you use it?

Mr. D'OENCH. I think so.

Senator SMOOT. You would?

Mr. D'OENCH. I think so.

Senator WILLIAMS. Would you make shoes cheaper?

Mr. D'OENCH. Yes, sir.

Senator WILLIAMS. How much cheaper?

Mr. D'OENCH. That is a question that I am not prepared to answer in detail.

Senator WILLIAMS. I just wanted your opinion about it, if you have any.

Mr. D'OENCH. We estimate that the royalty we pay to the company, the direct royalty, is between 5 and 6 cents per pair; it varies according to the grade of shoes. And then there is an indirect royalty for parts and things of that kind, which we estimate at between 2 to 4 cents per pair, so that we would be saving that royalty.

Now, just to illustrate: I quoted a moment ago a machine called a stitcher, which sews the outsoles to the welt of the man's shoe, on which the company charges a royalty of 2 cents per pair. We will sew around 200 pair a day on that machine. That would be a royalty of \$4. Counting 300 working days in the year, if the man running that machine were steadily employed, it would pay the company a royalty of \$1,200 on that one machine.

Senator SMOOT. What is the value of it?

Mr. D'OENCH. We are inclined to believe that a machine of that kind could be bought for between \$500 and \$600, perhaps.

Senator SMOOT. You can buy a machine just as good as that in England, can you?

Mr. D'OENCH. Yes, sir.

Senator SMOOT. And you would not have to pay any royalty?

Mr. D'OENCH. No, sir.

Senator SMOOT. If you buy it the valuation would not be to exceed \$600?

Mr. D'OENCH. About that.

Senator SMOOT. And the rate is 45 per cent?

Mr. D'OENCH. Yes, sir.

Senator SMOOT. That would be \$270.

Mr. D'OENCH. Yes.

Senator SMOOT. Why don't you pay the \$870 instead of \$1,200?

Mr. D'OENCH. Because, if we do that, the United Machine Co. would come into our factory and take every machine out, and we could not make shoes. We have other machines belonging to that company.

Senator SMOOT. Has not England got the same machines?

Mr. D'OENCH. We would have to buy all machines in England.

Senator SMOOT. Wouldn't it pay you?

Mr. D'OENCH. Perhaps so, if the duty were removed.

Senator SMOOT. The duty, it seems to me, is but a small figure as compared to the royalty you are paying. Do not the English manufacturers charge a royalty on their machines?

Mr. D'OENCH. How is that?

Senator SMOOT. Do the English manufacturers charge a royalty on their machines?

Mr. D'OENCH. They sell them outright, I understand.

Senator SMOOT. It does seem to me that if I were a manufacturer and could buy the machinery there, I would do it irrespective of the tariff. I do not see that that would cut very much figure.

Mr. D'OENCH. You see, the English machines are not represented in this market at the present time, and we would have to import all the parts.

Senator CLARK. Your statement would seem to indicate that you could purchase English machinery outright for less than you pay for 12 months' royalty.

Mr. D'OENCH. Yes; I think we could.

Senator SMOOT. Less than six months' royalty.

Mr. D'OENCH. Yes; we could.

Senator STONE. You mean this particular machine?

Mr. D'OENCH. Yes, sir.

Senator HEYBURN. I would like to know a little more definitely why those machines can not be manufactured in this country outside of this Boston concern.

Mr. D'OENCH. You see, that company manufactures practically all machinery used by a shoe-manufacturing company.

Senator HEYBURN. Why could not they be manufactured outside of that combination in this country?

Mr. D'OENCH. There was an attempt made to do that not long ago, and the man who manufactured a complete line of that kind sold out to that company.

Senator LA FOLLETTE. Was that Mr. Plant?

Mr. D'OENCH. Yes, sir.

Senator LA FOLLETTE. Mr. Plant found himself surrounded, did he not, when he endeavored to enter into competition with this United Shoe Co., by influences that cut off his credit, and drove him finally to sell out his entire institution to the United Shoe Co.; is not that a fact; is not that understood in the trade to be the truth?

Mr. D'OENCH. Senator, I could not say that that is true, because I do not know. I have heard reports to that effect.

Senator LA FOLLETTE. Yes, sir.

Mr. D'OENCH. But whether it is a true statement of conditions or not, I do not know.

Senator STONE. Mr. D'Oench, did the shoe manufacturers go to Boston about the time Mr. Plant sold out to this monopoly with the view to buying his patents?

Mr. D'OENCH. I think so.

Senator STONE. It is a fact, is it not, within your knowledge?

Mr. D'OENCH. Yes.

Senator STONE. He was proposing to sell to the shoe men?

Mr. D'OENCH. So I understand.

Senator STONE. While they were discussing terms, he trying to force up the price and the shoe men to force it down, he went out and sold to this Boston company, did he not?

Mr. D'OENCH. He probably made the best trade he could with them.

Senator BAILEY. Four million dollars, was it not?

Mr. D'OENCH. That I do not know, Senator, because as far as I am concerned it is hearsay.

Senator SMOOT. He had two purchasers, then, not one?

Mr. D'OENCH. Probably so.

Senator STONE. Do you know what he offered to sell his line of patents to the shoe manufacturers for?

Mr. D'OENCH. No; I do not.

Senator STONE. He sold to this company for a larger sum than the shoe manufacturers offered him?

Mr. D'OENCH. That is the report. I will say, Senator, that there is a gentleman in the room who went there, and he probably will be able to give you more information on the subject than I can. It is Mr. Johnson, of St. Louis.

Mr. JOHNSON. I would like to state right there——

The CHAIRMAN. Will you state your name to the committee?

Mr. JOHNSON. Jackson Johnson, of St. Louis.

The CHAIRMAN. Whom do you represent?

Mr. JOHNSON. Roberts, Johnson & Rand Shoe Co. I want to state I was there at the time, and we were negotiating with Mr. Plant for the purchase of his machines, and the nearest to the price that we ever got was that he stated that it had cost him something over \$3,000,000. That we ascertained by an audit to be correct, and we were negotiating to see if we could buy the machinery at a minimum of \$3,000,000, and a maximum of not exceeding \$3,500,000. During the period of negotiations we took a recess. Mr. Plant came back that night and informed us that, as we did not seem very much interested, he had sold out.

Senator STONE. Do you know what he got?

Mr. JOHNSON. No, sir. I asked Mr. Winslow, president of the United Machinery Co., what he paid for it and he would not tell me. He bought also in addition to the machinery, the control of the plant of the Shoe Manufacturing Co., and he bought out the shoe business as well as the machinery business.

Senator HEYBURN. It is a fact that one of the elements, the controlling element here, is that the shoe business is a trust, is it not, or a monopoly?

Mr. D'OENCH. The shoe business?

Senator HEYBURN. Yes; the shoe manufacturing business?

Mr. D'OENCH. No, indeed; not at all.

Senator HEYBURN. The Boston concern is not a monopoly?

Mr. D'OENCH. The shoe machinery business?

Senator HEYBURN. I was referring to the subject under consideration.

Mr. D'OENCH. You mean the shoe machinery?

Senator HEYBURN. Yes.

Mr. D'OENCH. We think so; we think the shoe machinery business is a trust.

Senator BAILEY. There is a law to prosecute, is there not?

Senator GALLINGER. Does the fact that they are operating under patents differentiate it from the ordinary trust?

Mr. D'OENCH. Perhaps, in some features.

Senator GALLINGER. I should think it would.

Senator BAILEY. That would protect it against a charge of monopoly, but it would not protect it against the kind of misconduct that has been indicated here. They could be convicted, if you gentlemen would go into court and testify before the court as to the things you have told this committee. They would be convicted, with all certainty.

Mr. D'OENCH. The subject we are talking about is covered by a remark just made. I have a memorandum here showing that in addition to those duties that were paid on the articles I have just read, the shoe manufacturers of the United States are confronted with a royalty paid to the United Shoe Machinery Co., which controls

the shoe-machinery market and exacts a tribute for every pair of shoes made in this country. That is what we have just now been discussing.

The royalty on a pair of man's welt shoes is between 5 and 6 cents, to which must be added an indirect royalty composed of machine parts, wires, tacks, nails, etc., amounting to from 2 to 4 cents per pair.

The British manufacturer, on the other hand, can make his shoes and avoid these royalties, because he can purchase his shoe machinery and parts, wires, etc., from independent companies, while the American shoe manufacturer must buy his machinery, parts, etc., from the shoe machinery trust, protected by a 45 per cent duty.

Senator SMOOT. In England they have patents the same as you have in this country, on this machinery, have they not?

Mr. D'OENCH. Most of those patents, as we said a while ago, have expired. Besides, Senator, if they have patents they generally sell their patents. A man has an article that he has patented. He will say, "I will take three or four hundred dollars, or five hundred dollars for it," and he sells it.

Senator CLARK. Do you consider the English machines as effective as the American machines?

Mr. D'OENCH. The manufacturing value of them?

Senator CLARK. Yes.

Mr. D'OENCH. I think so.

Senator CLARK. Then, I still can not understand why you should be held up at the mercy of this combination when you can go into the foreign market and import your machinery at a cost less than one year's royalty.

Mr. D'OENCH. Senator, you can not import all these machines, because the Shoe Machinery Co. here ties you up in a lease that covers every machine they have.

Senator CLARK. Suppose you are outside of that lease entirely.

Mr. D'OENCH. Some of these machines—

Senator CLARK. Just one minute, until I get through with my question. Suppose you cut off this combination entirely, and do not purchase any sort of a machine from them; could you supply that deficiency with the English machinery?

Mr. D'OENCH. We might have some difficulty here in supplying certain machines.

Senator CLARK. Do the English manufacturers have that same difficulty?

Mr. D'OENCH. No, because the English manufacturer can use both machines. He can buy the free machine and the protected machine.

Senator CLARK. If he uses the American machine, does or does he not have to enter into the same sort of lease that you have to enter into?

Mr. D'OENCH. No, sir.

Senator CLARK. Then this company operates on a different basis with regard to the lease in this country than they do in England?

Mr. D'OENCH. Yes, sir.

Senator CLARK. They favor the foreign manufacturer at the expense of the American manufacturer?

Mr. D'OENCH. I believe they are compelled to do that under the English laws. I think they are not in a position to execute those leases there.

Senator CLARK. I am not speaking as to the reason, but as to the fact.

Mr. D'OENCH. Yes, sir.

Senator BAILEY. I think that contract here is void. It is merely a contract in restraint of trade, and would be void independent of the statutes if they saw fit to prosecute it; but the trouble of it is, as I gather it, if they bought the English machines, and they needed a part, there would be the difficulty of getting the part.

Senator CLARK. Senator Bailey, I imagine that if there were a market here for that English machinery—that there is not a market, for some reason or other—but if there were a market here for the English machinery there soon would be agencies here that would carry all the parts.

Senator BAILEY. It is a little odd to hear you Republicans protesting that they ought to be buying abroad and commenting on that.

Senator CLARK. I think there is evidently some fact here, which I can not understand, which is evidently so plain and simple to the gentlemen who are in the business that they do not appear to elucidate it.

Mr. D'OENCH. I might add to that that we can not buy an English machine and use it here, even if we paid the duty, unless we would give up all of our machines, and we can not give up all of our machines.

Senator CLARK. I understand that.

Mr. D'OENCH. They own some machines that we need in our business.

Senator WILLIAMS. Those machines, you say, are rented machines?

Mr. D'OENCH. Yes, they are rented machines.

Senator WILLIAMS. You can clear your factory of them if you want to, can you not?

Mr. D'OENCH. Yes, sir.

Senator WILLIAMS. And substitute the English machines. I do not see how the point you make, that you have to give up your machines there, has any relevancy.

Mr. D'OENCH. These American machines are held under a lease by us, and if we were to put in any English machines—for instance, a stitcher, we will say—in order to save this royalty the Shoe Machinery Co. would take out every other machine we had.

Senator WILLIAMS. Suppose they do take them out?

Mr. D'OENCH. We can not replace all those machines.

Senator WILLIAMS. Can you not buy them?

Mr. D'OENCH. Not all of them. But the Shoe Machinery Co. goes to England and says to an English manufacturer, "Here is our entire line of machinery of shoe machines. Select what you want. We would like to sell all of them, if you will buy them; but if not, pick out what you want to buy, and buy the balance of your machines in England," and so the English manufacturer has the opportunity of buying some machines free and others he pays a royalty on, but we can not do that.

Senator CLARK. Perhaps your last statement will clear up the question in my mind. Do I understand you to say that the English manufacturer, in the course of his business, is compelled to use some of the American machinery?

Mr. D'OENCH. I think he is.

Senator CLARK. And those machines are sold to the English manufacturer at terms on which you can not get them?

Mr. D'OENCH. So I understand.

Senator SMOOT. You spoke of paying a royalty.

Senator HEYBURN. I am inquiring not as to the question of buying English machinery or foreign machinery but as to the question of manufacturing the machinery in this country, independently of the Boston concern.

Senator CLARK. The English machines?

Senator HEYBURN. No, manufacturing the requisite machinery for making shoes in this country rather than importing it from in England. Why is not that practicable?

Senator BAILEY. They tried it.

Senator SMOOT. They can not do it on account of patents.

Senator HEYBURN. He says the patents have expired.

Senator SMOOT. He said the original patents had expired, the basic patents.

Mr. D'OENCH. The thing was tried, as you heard here a while ago, and the parties who had this line of machinery sold it to the Shoe Machinery Co.

Senator HEYBURN. Did the question of patents interfere with them in any way? Were not they fully equipped for doing business before they sold?

Mr. D'OENCH. I think so.

Senator HEYBURN. I ask again: Why can not the requisite machinery be manufactured in this country, and thus avoid purchasing it in the foreign market and avoid this contract?

Senator SMOOT. If there were another Mr. Plant, that might be done.

STATEMENT OF MILTON S. FLORSHEIM, OF THE FLORSHEIM SHOE CO., CHICAGO, ILL.

Mr. FLORSHEIM. I would like to say a word.

The CHAIRMAN. Will you state your name to the committee?

Mr. FLORSHEIM. Milton S. Florsheim. I represent the Florsheim Shoe Co., of Chicago.

It would not be policy for anybody to manufacture a line of machinery, because he has no market. There is no market for putting a line of machinery in this country to-day. Unfortunately for us we have already all signed contracts which run for 17 years from the date on which we put in the last machine, and our lawyers tell us that inasmuch as we have signed these contracts and agreed to use no other machines except those made by the United Machinery Co., that contract is binding; so no capital will invest any money in that industry, and the market is closed.

Senator HEYBURN. It is closed by virtue of the contract and not by virtue of your inability to produce the machinery in this country?

Mr. FLORSHEIM. It is closed by force of circumstances. The United Machinery Co. bought up every competing shoe machinery company in existence some years ago, and we were forced either to do business with the United Shoe Machinery Co., and to sign such contracts as they saw fit to offer us, or go out of the shoe manufacturing business, and having no other business, and that being our mode of

gaining our livelihood, we had to sacrifice ourselves and sign that lease.

Senator HEYBURN. Then the country, irrespective of the shoe manufacturers, could relieve you of that position by destroying the trust or combination that binds you under that contract?

Mr. FLORSHEIM. You can answer that better than I can.

Senator HEYBURN. I only make the suggestion in reply to the gentleman's argument.

Mr. FLORSHEIM. I do not know.

Senator BAILEY. You say that lawyers have advised you that that contract is binding and valid?

Mr. FLORSHEIM. Our lawyers tell us, as we have signed a contract for 17 years, that under the common law that contract is binding. Under the latitude allowed a patentee he has a monopoly. Now, that question, our lawyers tell us, the court has never decided, and I am only speaking as a layman, not as a lawyer.

Senator BAILEY. It has been decided a hundred times that a contract like that in restraint of trade is void. That contract is not worth the paper on which it is written.

Mr. FLORSHEIM. I would not like to argue the question with you. You know more about that than I do.

Senator BAILEY. As a matter of course, they are entitled to the exclusive manufacture under their patents so long as the patents protect, but they are not even authorized by any patent that kind of a contract.

Senator CLARK. It is only good this far, perhaps, Senator Bailey; it is a contract that these gentlemen here can sign or not sign, as they please, and they are free to sign the contract as they please, but exercising their freedom of choice in their own behalf as they think, they run up against an obstacle that they have got no machinery.

Senator BAILEY. Of course, if they didn't affirm that contract there would be no lease, and these people could come and take the machines out of their establishments, and that would end it.

Mr. FLORSHEIM. You understand the method of the tying-up clause, don't you, Senator? If you will permit me, I will try to explain it as best I can. If, for instance, somebody should invent a machine to-day which was an absolute necessity for the manufacturers of shoes to use, to produce shoes under the most advantageous situation, they would immediately see the inventor and buy up that patent; then they would turn around and make a lease or an agreement with the shoe manufacturers to this effect: "If you want to use that particular machine that you think is necessary in your business, you will have to agree in this same lease to buy no other machines produced by any other competing company for a period of 17 years, whether covered by patent or otherwise."

The consequences are, they have closed the American market to such an extent that nobody will build up a line of machinery. There is no market here for it, until the law or the United Machinery Co. release us from these obligations.

Senator BAILEY. I see the practical effect, even of the void contract. If you were to treat the contract void, of course, you would have to surrender the machines which you hold under it, and I can also understand that no manufacturer is going to invest capital in that way and suffer the fate of Mr. Plant. He tried it, and they practically

closed him out. They were not only dealing with Mr. Plant, but they were trying to warn everybody against doing the same thing; but your contract is a voidable one.

Several States have a law which would make it a crime to make that kind of a contract.

Mr. FLORSHEIM. Applying to a patent, Senator?

Senator BAILEY. Any exclusive contract.

Mr. FLORSHEIM. Applying to a patent?

Senator BAILEY. Applying to a contract which obligates a man not to deal with anybody else. Our law makes it a crime.

Mr. FLORSHEIM. People in your State have got their machines.

Senator BAILEY. If the contract is made there and you advise any attorney in our State of it, the guilty parties will be prosecuted.

Mr. FLORSHEIM. That contract is made in Maine or New Jersey; I do not know which State.

Senator BAILEY. Of course that contract will depend upon the law of the State where it is made.

Mr. FLORSHEIM. You understand that there is no way to close the contract; that is to say, if we elected to return it, we have leased these machines, and they penalize us to the extent of compelling us to pay so much for any machine you return; that is to say, they make it such a hardship for us that if we were to return our line of machinery to use some competing line of machinery, we would be put to a very large outlay of money. In fact, our machinery line to-day is liability and not an asset.

Senator WILLIAMS. This would follow, that if you refused to be bound by the terms of that contract, which says you shall not buy machinery from anybody else, then that part of your contract which engages them to let you use their machinery would also be gone, and you could not use their machinery, and you do need their machinery.

Mr. FLORSHEIM. We do need it under present conditions, but of course I can only answer that as a layman. Such is the advice we have obtained in the matter, and we are told that until the courts release us from the obligations of that contract that we have simply got to do the best we can and get along in the best way we can.

Senator WILLIAMS. There would be no way at all of getting around that.

Senator BAILEY. I think, however, if these hearings are transmitted to the Attorney General's office that the United Shoe Machinery Co. is apt to have some trouble right away.

Mr. FLORSHEIM. You know it would be practically impossible to run a factory here on foreign machinery unless that foreign machinery company has a market for its stuff, because it could not afford to run an office here and place a man over here and keep a full line of supplies over here and maintain the necessary office and operating force for one or two companies. It would have to have a business, and under the present conditions they could not establish any business. There is no business here for them.

Senator BAILEY. I can understand that.

Mr. FLORSHEIM. We did attempt to buy the Plant Line, and it was sold. While we were negotiating with them it was bought out by other parties.

Senator BAILEY. You were trying to make a hard bargain?

Mr. FLORSHEIM. No; not a hard bargain. It was a pretty hard matter to raise a couple of million dollars in a short time.

Senator BAILEY. You saved that much by repealing the duty on hides.

Mr. FLORSHEIM. Where is it, Senator? I have not found it.

Senator BAILEY. The Government has certainly lost it.

Mr. FLORSHEIM. The people have got it.

Senator BAILEY. I will ask you to file your price list.

Mr. FLORSHEIM. Here is an example of that: I went to a shoe store this morning, one of the biggest merchants in town. In the year 1907 he bought a split brogan—I can get you the bill for that, if you desire it—and he paid \$1.15 a pair for them. That is a split workman's shoe. That same shoe he bought in 1911 for 90 cents. That is a difference of 25 cents a pair.

Senator CLARK. I wonder if the retail shoe men have got a combination, too?

Mr. FLORSHEIM. I could not say, but I presume that he is selling them for less than what he did in 1907. I do not think we can be accountable in every way for what a retailer sells his goods for or what profit he makes.

Senator BAILEY. It has not reached the people; the retailers may buy some grades of shoes for less, but that is due to another cause.

Mr. FLORSHEIM. The people have got it in the last analysis.

Senator CLARK. That is probably because it costs so much more to transact business to-day than it did a few years ago.

Mr. FLORSHEIM. Yes, sir.

Senator CLARK. Because we are paying more for shoes to-day than two or three years ago.

Mr. FLORSHEIM. I do not think that is so.

Senator BAILEY. Do you mean to tell me that the difference in the manufacturing cost of those brogans, as between a duty-paid hide at the rate of 15 per cent, and a duty-free hide—

Mr. FLORSHEIM. That would depend entirely on the fluctuations of the market, as you well know, Senators.

Senator BAILEY. The difference if hides were worth \$3 would be more than if they were worth \$1. I perfectly understand that.

Mr. FLORSHEIM. Not necessarily.

Senator BAILEY. But the question I ask is: What is the difference in the manufacturing cost of a pair of shoes like that when they are made out of duty-free hides, and of duty-paid hides, at the rate of 15 per cent—

Mr. FLORSHEIM. At what particular time? The supply and demand, or quantity of shoes used, out of certain kinds of animals—all those things have got to be figured.

Senator BAILEY. I have not been able to make myself understood. I have named the kind of shoes you read about.

Mr. FLORSHEIM. Yes.

Senator BAILEY. I ask you what is the difference in the cost of producing that shoe when you made it out of the duty-paid hide at the rate of 15 per cent, and the duty-free hide?

Mr. FLORSHEIM. You will have to ask the tanner to give you the answer, of course. I will show you wherein the question is some-

what inaccurate and does not convey what you intend it should. For instance, the split brogan that I referred to—there may have been a great demand for splits made out of cattle hide at one time; necessarily the price of splits advanced, and the price of hides advanced, and then again there will be a slack in the demand. The people may demand a shoe made out of goat skin or kangaroo or something like that, and necessarily the price recedes.

Senator BAILEY. My question is perfectly accurate. Here is a hide with a duty paid at 15 per cent. Here is another of the same weight and quality without any duty. Now, my question is, What is the difference in the cost of manufacturing?

Mr. FLORSHEIM. We will say that there are 2 pounds of hide in that particular shoe.

Senator BAILEY. How much?

Mr. FLORSHEIM. We will say it takes 2 pounds of hide to make that particular shoe, and the price was 15 cents a pound. If the cost of that hide is 15 cents and the duty was 15 per cent, it would amount to 2½ cents a pound, or close to 5 cents a pair. Now, on this particular shoe I should judge it would amount to about 6 or 7 cents a pair, because it is mostly heavy cattle hide and it is split. You will have to figure that out, also.

Senator BAILEY. You have never answered my question, and yet you say that explains a reduction of 25 cents a pair in the price of shoes. You could not expect us to accept that?

Mr. FLORSHEIM. Oh, yes; because the price of hides in this country has fallen.

Senator BAILEY. That is right, the price of hides has fallen.

Mr. FLORSHEIM. Let me tell you, the farmer is getting just as much for it.

Senator BAILEY. You can not convince the farmers of that.

Mr. FLORSHEIM. They are not complaining because hides went up—they are fluctuated, the prices went up. There was a world price established, and they have been up since hides were free, and they are down now.

Senator BAILEY. Now, you are mistaken about them being up. We have nearly doubled our importations of hides under that free-hide provision.

Mr. FLORSHEIM. Hides have been higher in price than before the duty was taken off.

Senator BAILEY. For a short time.

Mr. FLORSHEIM. They were higher.

Senator BAILEY. For a short time. That only proves that there are other elements of price than the tariff. Nobody that understands the question doubts that.

Mr. D'OENCH. The supply and demand fixes that.

Senator BAILEY. Now, what I am trying to do is to fix that one element and its relation to price, and the truth of that is that the average price of shoes made out of a duty-free hide as compared with a duty-paid hide at the rate of 15 per cent is less than 5 cents a pair; that is the difference in the cost of manufacturing.

Senator STONE. In other words, if the tax on the hide in the pair of shoes were five cents, and he is reducing that pair of shoes to 25

cents less than when the hides were taxed, then, manifestly, that total reduction is not due to the tariff.

Senator SMOOT. Evidently, what he says is true in relation to the advance in hides, assuming the tariff was off. The reason of that is, that the world outside, not being bound with that 15 per cent we took off, they took all that 15 per cent and a little more.

Senator BAILEY. It is absolutely true that the reduction of the duty can not produce any effect beyond that amount. I can not quite understand how you can come here at one Congress and demand a repeal of the 15 per cent duty on hides out of which the Government collected a net revenue of more than \$2,000,000, and then come back here at the next Congress and complain about the repeal of the duty on shoes out of which the Government collected less than \$30,000.

Mr. D'OENCH. Those are two different propositions, Senator.

Senator BAILEY. One is me and the other is you. [Laughter.]

Mr. D'OENCH. Not in that way.

Senator BAILEY. One you pay to the Government and the other your customer pays you.

Mr. D'OENCH. We suffer a reduction of from 25 to 10 and 15 per cent.

Senator BAILEY. You sought a repeal of the duty on hides?

Mr. D'OENCH. Yes, sir; undoubtedly.

Senator BAILEY. You did that of course thinking it would be to your advantage. I do not complain about that. Nearly everybody presents his own side of the case, and leaves us to decide what is just and fair.

Senator CLARK. I was not on the Finance Committee at that time, but it was pretty generally understood that the shoe men said that if you would give them free hides they would stand the reduction of the duty on the manufactured article.

Senator BAILEY. They said they would not protest against the removal of all the duty. We did not have hearings. The majority probably had some executive sessions, I think, and probably conferred with these gentlemen. I heard a statement of that kind, I know.

Senator SMOOT. The statement was made.

Senator SIMMONS. My understanding is that they retracted their statement over in the House.

Senator SMOOT. Yes; they did.

Mr. D'OENCH. We heard the rumors, but we were unable to trace them.

Senator GALLINGER. The first statement was that they would get along without the duty, and afterwards they said they were mistaken.

Senator SMOOT. Mr. Jones told me they could live under free hides if the duty on shoes was not disturbed.

Senator BAILEY. Who is Mr. Jones?

Senator SMOOT. He stands at the head of the New England Shoe Manufacturers' Association; but after that he withdrew that statement and said that his associates were of a different opinion, and therefore he did not want me to hold him responsible.

Senator BAILEY. It means that after they got the country wrought up by that kind of an argument to the point of free hides, then they withdrew it.

Senator STONE. It means, too, that after Mr. Jones made that statement and went back to Massachusetts he was called down by the Manufacturers' Association, an association that is concerned in manufactures of many kinds, that to put shoes on the free list, a great industry like that, would be a very strong argument for breaking in on other lines of industry, and their persuasion was so potent that he came back and corrected himself.

Senator BAILEY. Is that a guess? Can you prove it?

Senator GALLINGER. I think it is proper for some of us to say, who have knowledge of the New England situation, that Mr. Jones stood alone in making that statement; the manufacturers in my State never admitted that they could live under free hides.

Senator WILLIAMS. I think the Senator is mistaken, if I am not mistaken.

Senator GALLINGER. I was speaking from my personal knowledge of the manufacturers of New England.

Senator WILLIAMS. I am quoting an ex-governor of your State, Gov. Douglas, who said that we could take the world's market with free hides and free shoes. He must be a mighty good man, because he is a Democrat.

Senator BAILEY. He is of Massachusetts, and when he got free hides he said: "We are not going to have a cheaper shoe, but a better one."

Mr. FLORSHEIM. There was not a western manufacturer at any time, in any statement to either the Finance Committee, the Ways and Means Committee, or to the President, or to any Senator, any authorized statement, that if we got free hides, shoes would go on the free list, because it would have been absurd for him to have made such a statement; and it was not made, and the eastern manufacturers and the western manufacturers, at a joint meeting which we held at the Willard Hotel, the figures were given which practically convinced anybody who had any doubt about it that free shoes meant we would get out of business.

Senator BAILEY. You think you could not put the farmer out of business because he could not close up?

Mr. FLORSHEIM. I am not deciding any question of state. I do not know anything about those things. I can tell about the shoe business, and that is all.

Senator HEYBURN. If they put you out of business, who would take your place in the manufacturing of shoes?

Mr. FLORSHEIM. It seems to me if you put us on the free list the fellows in England will put us out of business.

Senator HEYBURN. Would they?

Mr. FLORSHEIM. It looks so to us.

Senator SIMMONS. Let us see about that. How is it, then, that you are able to get such a hold upon the English market with your shoes? You said a while ago you were selling to England about \$3,000,000 of shoes.

Mr. FLORSHEIM. You gentlemen get a lot of figures together, and they are not analyzed.

Senator SIMMONS. Analyze that for me.

Mr. FLORSHEIM. I am trying to. In the first place, the figures as to Great Britain are misleading. It does not mean that all these

shoes, \$2,500,000, go to England, but it does mean that the \$2,500,000 worth of shoes go some to the West Indies, some to South Africa, some to Australia, and they are distributed around the world in the English colonies. I do not know whether that includes Canada or not.

Senator HEYBURN. You are speaking of exports or imports?

Mr. FLORSHEIM. Take it in Cuba, our exports have jumped wonderfully. During this winter we made an investigation of the matter, and we found out that we had a preferential duty of 25 per cent. Naturally that gave us quite an advantage.

Senator SIMMONS. You say that those figures showing \$2,000,000 of exports to England, France, and Germany are misleading because they simply go through that channel to some other foreign market?

Mr. FLORSHEIM. Some of them, and some of them are shipped direct to foreign colonies of Great Britain and are put in the exports of Great Britain.

Senator SIMMONS. Then this \$11,000,000 or \$13,000,000 of exports are sold in the markets of the world?

Mr. FLORSHEIM. Yes.

Senator SIMMONS. And whether they are sold in England or sold in Germany, if they are sold in the markets of the world, don't you have to compete with English and German shoes?

Mr. FLORSHEIM. To a certain extent, yes; and to a certain extent, no.

Senator SIMMONS. You do meet that competition to the extent of about \$13,000,000 a year, do you not?

Mr. FLORSHEIM. No. If we have a preferential duty to Cuba of 25 per cent, we do not meet that competition directly. We have a preferential of 25 per cent, which enables us to do business with Cuba, due to that advantage.

Senator SIMMONS. Leave Cuba out.

Mr. FLORSHEIM. All right; let us go a little further and take Mexico. We ship about \$1,000,000 worth of stuff, I believe, into Mexico. We naturally have an advantage, because of the great many Americans living there, and we have a contiguous country which is pretty close to us. We can send traveling men to Mexico the same as to California, and it does not take as long, really.

Senator WILLIAMS. Let us get back to the shoes sold to Great Britain—Great Britain or the British colonies. Do you know how much was sold to South Africa?

Mr. FLORSHEIM. No, sir. Those are figures which it is pretty hard to keep in one's mind.

Senator SMOOT. Is it not a fact that a great many of the shoes that you sold to England, Germany, Austria, and France, particularly, are sold on the style of the shoes?

Mr. FLORSHEIM. Certainly. They are not competitive so far as shoes are concerned. They are merely sold because certain people prefer the American fashions. There is no doubt about that.

Senator SIMMONS. Fashions of America?

Mr. FLORSHEIM. The American fashion or style. You know we have extreme styles here, and some people like them and some do not.

Senator SMOOT. Every American, I suppose, in England and France and Germany wears American shoes?

Mr. FLORSHEIM. Generally; and the few rich people over there that want some extreme styles.

Senator McCUMBER. Tell me why England can not cater to the trade as well as we can.

Mr. FLORSHEIM. That is easily answered. They have not got into the market. If they had a market where they could develop their manufacturing the way we have, and if you will permit them to get their shoes into this country so they can develop their manufacturing as we have developed ours here, then they will do just exactly as much as we do and have the advantage of cheaper labor and other advantages. The manufacturing business has got to be developed, and if you can specialize, as American manufacturers can, owing to the very large markets for one particular style of shoe, the manufacturer naturally can do a big business and get his manufacturing costs pretty low.

Senator McCUMBER. How much do they sell in England?

Mr. FLORSHEIM. About \$2,000,000 a year.

Senator McCUMBER. Is not that a sufficient quantity to justify a department in shoe manufacturing such as would cater to that particular element that desires those shoes?

Mr. FLORSHEIM. I do not think so. Let me analyze that. It consists of men's, women's misses', children's, boys', and youths', shoes, and some other kinds. Now, you subdivide that \$2,000,000 into those different kinds of shoes, all extreme styles, that they could not do anything with in England; it would not pay an English manufacturer to make those styles. That follows with the American manufacturer. There are certain styles demanded in England, or, we will say, South America or Cuba, for instance, which I happened to notice when I was over there this season, a certain fancy shape. If we would make them, we could sell more of them in Cuba, but on account of this small demand for them, the expense of putting in the lasts and the shapes and the cappings and the wastes because we could not use them right along, it would hardly pay us to put them in; though the Spanish manufacturer, notwithstanding the 25 per cent preferential we have, is selling those shoes in Cuba.

Senator HEYBURN. Are any of those special classes of shoes made out of hides which were dutiable hides under the Dingley bill; weren't they made of the skins—

Mr. FLORSHEIM. No; sole leather—that is used in all kinds of shoes—that was dutiable.

Senator HEYBURN. All sole leather?

Mr. FLORSHEIM. Yes; all hides that were used to make sole leather were dutiable.

Senator HEYBURN. The uppers?

Mr. FLORSHEIM. Not entirely; certain kinds of uppers were and some kinds were not.

Senator SIMMONS. Are you making money on your foreign shoe trade—that \$13,000,000 of export shoes?

Mr. FLORSHEIM. We are, so far as I know, and my observation is reasonably good. We get the same price over there that we get in this country.

Senator SIMMONS. You are making money?

Mr. FLORSHEIM. Some money, according to the last statistics, I believe.

Senator SIMMONS. Is that a profitable business—the shoes that you sell abroad; do you sell them at a profit?

Mr. FLORSHEIM. We sell them for the same prices precisely that we sell them for in this country, but each house would have to answer for itself whether it has a profit, because the business is not large enough to warrant anybody in making any great profit. If you have \$350,000,000 of shoe business, manufacturing and exporting, and a paltry 3 per cent of these different kinds of goods, which is a very small business when analyzed, you know—our export business is magnified on paper, but it does not amount to anything in proportion to the enormity of the industry. At least it does not appear to me that way.

Senator SIMMONS. You say you sell at the same price?

Mr. FLORSHEIM. Yes.

Senator SIMMONS. You think that the profit is a reasonable profit?

Mr. FLORSHEIM. Sure. We would not sell them if we did not think so.

Senator STONE. I understood you to say that no western manufacturer of shoes favored free shoes during the time the Payne-Aldrich bill was before Congress. Mr. Florsheim seems to be a very well-informed manufacturer of shoes, and I would like at this point to put into the record a few extracts from both eastern and western manufacturers and ask his opinion as to the truth of the statements made. I will put in a letter which appeared in the hearing before the Ways and Means Committee of the House, November 28, 1908, page 6862, dated Lynn, Mass., November 24.

HON. SERENO E. PAYNE,

*Chairman of the Ways and Means Committee,
Washington, D. C.:*

As probably the largest manufacturers of women's fine shoes in the world, the Sorosis Shoe Co. desires to go on record as declaring the present tariff on certain shoes that we manufacture wholly unnecessary to our success and a distinct injustice to the consuming public. We favor the complete abolition of this tariff, welcoming the competition of the world. We should be glad, at the convenience of the Ways and Means Committee, to present arguments for the removal of the duty on boots and shoes like those of our own manufacture.

A. E. LITTLE & Co.

Here is what Gov. Douglas said when he addressed the President, Mr. Roosevelt, urging free hides, and intended to influence the President in securing free hides. He says:

Take away the duties that prevent us from obtaining leather at the same prices paid by our foreign competitors and we will not only hold our own markets, with or without a duty, but we will invade foreign markets, at good wages to our boot and shoe workers.

Now, here is what Mr. Jones, who has been referred to, said before the Ways and Means Committee, November 28, 1908:

Mr. COCHRAN. Surely if we import hardly any shoes now under these onerous conditions, it is not likely that under better conditions we will import less.

Mr. JONES. It is less likely.

Mr. COCHRAN. I assume, then, it is your opinion that the giving of free raw material would enable you to take your chances without protection.

Mr. JONES. I am glad to say that I am on record in a statement made several years ago to the effect that I should be glad to see shoes absolutely free, if all the leather and other materials were free. The New England Shoe and Leather Association was united in that view at that time.

By the way, I received a letter from my friend, Mr. D'Oench, who is now before the committee, dated April 5, 1909, in which he says:

Especially do I want to call your attention to the testimony of Mr. Charles H. Jones, of Boston, Mass., pages 2452 to 2463. Mr. Jones is the president of the Commonwealth Shoe & Leather Co., of Boston, Mass. He has made a thorough study of this subject, and his testimony is, I think, usually concise, clear, and instructive.

Now, so much for the eastern people; a word about the western people.

Senator SIMMONS. What is the date of that letter you just read?

Senator STONE. I gave it; April 5, 1909.

I have a letter here—these are some letters that I have taken out of a lot of files that I kept of communications sent to me while the bill of 1909 was pending in the Senate, and when they were trying to get free hides.

Senator GALLINGER. It will be observed that Mr. Jones specifies all articles entering into the manufacture of shoes as well as leather.

Senator STONE. That is the language of his letter. Here is a letter from Hannibal, Mo., April 24, 1909:

HON. WILLIAM J. STONE,
Washington, D. C.

DEAR SIR: We acknowledge receipt of your favor of the 15th and note your question as to placing shoes on the free list. We see no reason why shoes should not be placed on the free list if hides are, as we are certain that America can compete with any other nation in any line.

Thanking you for the consideration you have given our letter and trusting you will be able to vote as we have suggested, we remain,

Yours, truly,

HANNIBAL SHOE COMPANY.
THOMAS J. COUSINS,
President.

Mr. JOHNSON. I would like to ask who that letter was from?

Senator STONE. The Hannibal Shoe Co.

Mr. JOHNSON. I think they are already out of business.

Senator STONE. Did they go out of business because of free hides?

Mr. JOHNSON. I do not know the special reason. I guess they went out of business because they did not find it profitable.

Senator STONE. It was a shoe-manufacturing concern.

I have a letter here from the Wolfe Bros. Shoe Co., of Columbus, Ohio, dated March 29, 1909:

Senator WILLIAM J. STONE,
Washington, D. C.

DEAR SIR: As one of the largest manufacturers of shoes in the country, we urge you to lend your influence to place shoes on the free list.

The American manufacturer needs no protection. With free hides and cheap raw materials the American shoemaker can shoe the world.

Very respectfully,

THE WOLFE BROTHERS SHOE CO.
R. F. WOLFE, *President.*

Now, while we are on that point, let me call your attention to another thing—not free shoes, but cheaper shoes. Mr. Jackson Johnson [laughter], of Roberts, Johnson & Rand Shoe Co., made a speech before the President of the United States—I have not the exact date, but this speech was filed with the Ways and Means Committee by Mr. Jones, as can be seen at page 6845, as follows. I read this extract from it:

If hides were on the free list, the cost of heavy shoes worn by farmers and wage earners would be greatly decreased and our exportation of such products

would be greatly increased. With our great resources for tanning and finishing hides we could place our products into the new markets cheaper than any other country in the world.

And here is what a manufacturer of leather had to say to the Ways and Means Committee:

Elisha W. Cobb, of Boston, manufacturer of leather, said to the committee: Mr. McCall. Now, Mr. Cobb, what do you think about the effect on making upper leather in this country of putting upper leather on the free list?

Mr. Cobb. Answering your question, I should say that if I can buy my hides on the free list I think the American upper-leather tanner can beat the world out.

Mr. DALZELL. Without a duty?

Mr. Cobb. Without a duty.

The Brown Shoe Co. is a St. Louis concern, and a large one. Mr. George W. Brown, president of that company, and a very excellent man, addressed a letter to Senator Theodore E. Burton on June 24, 1909, and inclosed to him some resolutions, which he very heartily indorsed—or rather it was a telegram—and I will read just a line from it. He says:

Shoes are materially higher to-day in consequence of the increased cost of leather caused by the present tariff on hides.

The high price of shoes, according to Mr. Brown, was due largely to the tariff on hides, which he was urging us here to take off. At that time you shoe manufacturers and tanners and your associations, or two associations acting jointly, established at Washington a bureau in charge of Mr. A. H. Lockwood, to furnish literature and argument to Members of Congress in favor of removing the hide duty.

Senator CLARK. I was wondering where this all came from.

Senator STONE. This [indicating] came from that bureau. Here is what I read from one of the printed arguments sent to me:

Granted, for sake of argument, that the farmer gains by the imposition of this duty, the added cost of the shoes worn by his family, to say nothing of the added cost of his harness, buggy, and other leathers, more than offsets any possible gain derived from the high duty.

Mr. FLORSHEIM. That is correct, and we can prove it.

Senator STONE. Mr. D'Oench wrote to me saying that if we average five members to a farmer's family, the extra expense to him by reason of the tariff on shoes, harness, and other leather goods amounted to a good deal more than the \$2.25 which the farmer, it was claimed, received from the tariff.

Here is a letter of like effect from Mr. R. B. Price, a banker of Columbia, Mo., who was interested in shoe manufacturing. He says in his letter to me:

Of course the burden ultimately falls on the consumer who buys the shoes. Men who wear shoes would prefer to have the raw material admitted free, so as to enable them to get their shoes at the minimum.

Mr. FLORSHEIM. I can answer that.

Senator BAILEY. Which they did not do when we took the duty off the raw material.

Senator STONE. I wish to read just one additional brief extract from a letter, also from my good friend, Mr. D'Oench, urging me to vote for free hides. He convinced me, and convinced a lot of us, that we ought to have free hides.

We do most sincerely hope you will stand by good, old-fashioned Democratic doctrine [laughter] and vote and work to put hides on the free list.

Senator CLARK. That "Democratic doctrine" appeals to Mr. Stone more than anything else.

Mr. D'OENCH. I am not here to apologize for that, Senator.

Senator STONE. I would like to say that it occurred to me at that time, and it does now, that it was good Democratic doctrine to put hides on the free list, and particularly in the face of all these letters and other statements of like character; that it was a good Democratic policy to put hides on the free list.

Mr. D'OENCH. Would you permit me to say a word?

Senator STONE. I would like to ask if you shoe men and tanners are not rather changing your position?

Mr. FLORSHEIM. Not a bit of it.

Senator STONE. Most people think that the tariff is a bad thing when it is levied on what they buy, and a pretty good thing when it is levied on what they make themselves. You thought it was a bad thing when levied on hides, but a good thing when levied on shoes.

Mr. D'OENCH. Will you permit me to say a word?

Senator STONE. Yes; so we may have your views.

Mr. D'OENCH. I wish to say this, Senator, that if we have free hides and free materials that go into the manufacture of shoes, and we are exempted from this royalty—I can only speak for myself—I believe we would have no difficulty with free shoes.

Mr. FLORSHEIM. Oh, no.

Senator STONE. You don't agree to that?

Mr. FLORSHEIM. Let me answer that. There is no particular significance to this letter, because we are a good deal like the Democratic or Republican Party. We do not always all agree. Some men have different views and insist upon having them. But it does not follow that they are necessarily right or wrong, or that they have not a right to their own opinions, but, speaking for the trade as a whole, I do not think you have a right to take an individual opinion and say that that should rule or tell the Senator what is right and what is wrong.

Senator CLARK. But, Mr. Florsheim, when you gentlemen yourselves who are engaged in the same line of business and are representatives of great individual concerns in that business differ among yourselves, how can you expect us poor laymen to act intelligently at all times?

Mr. FLORSHEIM. We do not differ. You have to take the opinion of the majority; but individuals may differ. That is human nature. But let us take these statements, if you will pardon me.

Senator CLARK. Oh, yes.

Mr. FLORSHEIM. In the first place, the Senator evidently forgets that there are three gentlemen in this room, two in St. Louis, and one in Chicago, who do more business in the aggregate in a year than all the exportation of American shoes. That is to say, they do over \$13,000,000 worth of business in a year—two houses in St. Louis and one in Chicago. So you can see what a small proportion the export business is when one house can sell more goods in this country than the whole Nation can export.

So far as the Lynn letter was concerned, that was simply a very smart advertising dodge that he telegraphed to the Ways and Means Committee. It was heralded all over the country, and it gave him a little bit of publicity, and I do not believe it had any foundation be-

yond the feeling that he would get the publicity and free advertising which he did get.

And it did very good work for him in that direction. But these statements, which were made by some of these gentlemen in some of these letters, do not in any way represent the opinion of the majority of the shoe manufacturers of this country, and the statements that were made regarding free hides—that shoes would be lower in case hides were put on the free list—is verified by the price of shoes to-day. In fact, as I told you gentlemen a few minutes ago, the retail shoe dealer, Mr. Hahn, who I understand is the largest retail shoe dealer in the city of Washington, whom I just left two hours ago, showed me a bill for a shoe which he purchased in 1911 at 90 cents; and the same shoe in 1907 was \$1.15, made by the same house and the same quality. That is a difference of 25 cents a pair. We certainly feel that our statement that shoes would be lower—that the manufacturer would sell shoes for less money—has been verified.

Senator SIMMONS. Do you think that one instance proves that; why don't you come to the average price?

Mr. FLORSHEIM. I will say, in speaking for the gentlemen here, every one of us in comparing selling prices have admitted that shoes are being sold for less to-day by each one of our houses than they were two or three or four years ago.

Senator SIMMONS. Is that less than they were immediately before the new law went into effect?

Mr. FLORSHEIM. Yes, sir.

Senator SIMMONS. Are they less now than they were?

Mr. FLORSHEIM. Yes, sir.

Senator SIMMONS. In 1908 and 1909?

Mr. FLORSHEIM. No, I think that there is still—I think they are sold for less to-day than they were in 1910, and for less to-day than they were in 1907 and 1908.

Senator BAILEY. Would not that be due to the fact that they reduced the tariff on shoes 15 per cent instead of the repeal of the tariff on hides?

Mr. FLORSHEIM. Do you think the price of American shoes would be fixed to a very great extent by the small importations we have had up to this time? Why, possibly they do have some effect, but the importations have not been large enough as yet.

Senator BAILEY. You have put down the price to keep them out. Now you tell us the repeal of 10 per cent duty will break up your business. If that is true, then undoubtedly the reduction of the duty to the extent of 15 per cent, which was a reduction of three-fifths, would compel you to put down your price.

Mr. FLORSHEIM. Not at all. Let me answer that question.

Senator BAILEY. Then it won't compel you to put it down if you take the other 10 per cent off?

Mr. FLORSHEIM. The way it appears to me as a business man is this: As long as the shoe business has internal competition between 1,900 shoe manufacturers doing business and about 2,500 men jobbing shoes in addition to that, necessarily we cut the profit as low as competition conditions will permit. We are actually competitors against each other. And the American people are getting more value for their shoe money than, I believe, any other staple commodity made

in this country to-day. Why this particular industry should be put up as a mark I am at a loss to understand, because the duty of 10 and 15 per cent can almost be called no duty. It is the smallest duty on any bit of wearing apparel or a similar class of merchandise in this country to-day.

Senator BAILEY. That is true; but that does not answer the suggestion I made. You are here now telling us that if we repeal the existing duty of 10 per cent it would subject you to a foreign competition that will practically put you out of business. Yet you ask us to believe that a reduction of the duty from 25 per cent to 10 per cent did not require you to reduce the price of your goods in order to escape foreign competition.

Mr. FLORSHEIM. You are trying to convince me—I will admit that the duty taken off of hides reduced the price of those shoes. We could not have taken off the duty if you had not taken the duty off of the hides, but when you did that you gave us a compensating benefit. Of course, the people got the benefit of it.

Senator BAILEY. You will excuse me for saying that it is absurd for you to tell me that when you reduced your cost of production 5 cents a pair you reduced your selling price 25 cents a pair. I know better than that and so does everybody else. You do not pay much of a compliment to the intelligence of the committee when you ask us to believe that.

Mr. FLORSHEIM. I have not asked you to believe that.

Senator BAILEY. Then you ought not to state it if you do not ask us to believe that it was the abolition of the duty on hides that put down the price of shoes.

Mr. FLORSHEIM. I say that again.

Senator BAILEY. I know, and so does every man on this committee, know, that the duty on each commodity, so far as it affects the selling price at all, affects the selling price of that commodity. The duty on hides does not affect the selling price of shoes. It affects the cost of producing them, but the selling price of shoes is determined by other and competitive conditions, and we could give you your hides not only without a duty, but without any price, and still you would sell your shoes for as much as you could get, competitive conditions considered.

Mr. FLORSHEIM. Not necessarily.

Senator BAILEY. Yes; necessarily; and if an alteration in any duty affected the price of shoes, it would be a reduction of the duty on shoes. The repeal of the duty on hides affected the price of hides, and you say yourself it reduced the price so far as to enable you to reduce the price of shoes; but, then, if repealing the duty of 15 per cent on hides reduced the price of hides, undoubtedly the reduction of the duty on shoes from 25 per cent to 10 per cent would reduce the price of shoes.

Mr. FLORSHEIM. Both together knitted.

Senator BAILEY. If we had not abolished the duty on hides but reduced the duty on shoes 15 per cent you would have to reduce the price.

Mr. FLORSHEIM. That is to say, if you left the duty on hides and reduced it on shoes we would not only have had to reduce the price—we would have had to get out of business.

Senator BAILEY. Hardly get out of business.

Mr. FLORSHEIM. That is what we were asking you—

Senator BAILEY. You would hardly have to get out of business when the whole reduction in the cost for manufacturing a pair of shoes coming from a repeal of the duty on hides is 5 cents a pair, and you, by your own statement, have reduced the selling price 25 cents a pair.

Mr. FLORSHEIM. You won't let me finish my reasons for that. The 15 per cent on hides—if it takes 2 pounds of leather, it takes 5 cents off. On account of the quantity of hides in the market, the decline of the price of the raw hides may be very material and in that way make up the difference.

Senator BAILEY. I understand, but that relation would still exist between the hide, whatever its price, without a duty, and the hide, whatever its price, with a duty.

Mr. FLORSHEIM. It could amount to a great deal. For instance, it absolutely dominates the situation.

Senator LODGE. After the passing of the tariff bill in 1909, did hides advance?

Mr. FLORSHEIM. Yes.

Senator LODGE. They continued to advance during January?

Mr. FLORSHEIM. Yes.

Senator LODGE. Since January, 1910, have they declined?

Mr. FLORSHEIM. Yes, they have been declining; they are not declining now.

Senator LODGE. What I want to get at is that immediately after the repeal of the duty the price of hides advanced?

Mr. FLORSHEIM. Yes, sir; very substantially.

Senator LODGE. And they continued to advance until January, 1910, as I remember; and last spring declined, and the world's price of hides has declined ever since.

Mr. FLORSHEIM. Yes, sir.

Senator LODGE. Would not the decline in the world's price of hides have an effect on your cost of manufacturing?

Mr. FLORSHEIM. That is what I have been trying to convey, Senator.

Senator BAILEY. The first price is now the American price plus the cost of bringing them in, but before you took the duty off, the American price of hides was the world's price of hides plus the cost of bringing them here, plus the duty.

Senator WILLIAMS. Plus something else.

Mr. FLORSHEIM. The price was the European price with about 18 per cent added, which went into the packers' pockets. That makes the price of hides. The packers took that 15 to 18 per cent.

Senator BAILEY. When you say that the packer got it all, you are speaking right in the face of the experience of every man who sells hides and you are talking to men who know something about the price of hides.

Senator WILLIAMS. I want to ask a question, following up the suggestion you made. Taking the duty off of hides enabled the hides to be imported into the United States just that much cheaper. That is true, is it not?

Mr. FLORSHEIM. Yes.

Senator WILLIAMS. Now, in addition to that, is not this a fact, that it broke up the private control by the packers of the American hide market?

Mr. FLORSHEIM. Absolutely; it broke up a domination of the packers controlling the domestic market.

Senator WILLIAMS. In two ways: First, by enabling the product to be imported without the duty, and secondly, by disenabling the Packers' Trust to combine and control the market.

Senator BAILEY. Do you know what per cent of the hides what you call the Packers' Trust controlled?

Mr. FLORSHEIM. It has been variously estimated, and I do not know.

Senator WILLIAMS. About enough to fix the price generally.

Senator BAILEY. About how much?

Senator WILLIAMS. About enough to fix the price generally.

Mr. FLORSHEIM. Absolutely. Particularly the heavy hides. They control a much greater percentage of them than of the light hides. Let me tell you there is nobody that can answer that question.

Senator BAILEY. Between 40 and 45 per cent.

Mr. FLORSHEIM. In the first place, Senator, you will admit that these large packers' own many packing establishments under other names that we know nothing about?

Senator BAILEY. I do not know that.

Mr. FLORSHEIM. I do. I can mention some of them, if necessary.

Senator STONE. It was claimed, with a good deal of color of truth, at least, that the packers owned over 40 per cent of the tanneries of the United States at the time this bill was passed.

Senator BAILEY. If that is true, then they wanted free hides.

Mr. FLORSHEIM. Why should they want free hides? Obviously not, I think. The fact is, they wanted to keep the price of hides up to the price the hides had been and kill the independent tannery. It was just the inversion of that.

Senator CLARK. The only tanner in the Senate wanted free hides.

Senator BAILEY. As a matter of fact, if they were the tanneries that wanted free hides, their interest as a seller of hides might be one way, and their interest as a buyer of hides be the other way. Of course, all tanneries want free hides.

Mr. FLORSHEIM. The object of the free hides feature was—that ought to be explained to you in the last analysis.

Senator BAILEY. It has been explained many a time.

Mr. FLORSHEIM. Not in that sense. If we pay more for our hides and our leather and you people keep the duty on the shoes high enough, we can still go ahead and do business, but the packer was gradually controlling the hide market, and he was gradually controlling the leather market, and he was closing up the avenues of free purchases, and in a few years he would have dominated the shoe factories.

Senator BAILEY. Don't you know, as a matter of fact, that the packers control the market less to-day and two years ago than they did four years and before that?

Mr. FLORSHEIM. The hide market?

Senator BAILEY. Both the hide and the cattle markets.

Mr. FLORSHEIM. They do not control the hide market since the duty was taken off.

Senator BAILEY. I mean the American markets, both the hide and the cattle market, that they control it less—I brought the attorney of the American Cattle Raisers' Association in here a while ago to try to arrange a hearing, and he has filed a brief with the committee over in the House, speaking for the cattle raisers of America, and he was opposed to the repeal of the duty on hides, and I hardly think there is a stouter opponent of the Beef Trust in the United States than he is, and I assume that he understood what he was talking about when he contended that it was not the Beef Trust, but the people who sold the cattle, who suffered. Of course, the Beef Trust, so far as it can control the whole of it, controls the whole as well as any part, and consequently if the Beef Trust sold its hides for less it would give that much less for the steers that wore the hides.

Mr. FLORSHEIM. I never could follow that.

Senator BAILEY. In other words, that applies to everything but shoes.

Mr. FLORSHEIM. No; it does not.

Senator BAILEY. Taking the tariff off amounts to nothing, except wherein you apply it to shoes.

Mr. FLORSHEIM. You can not take that broad question and answer it, but here the price is fixed by the export price entirely and the packer will not pay any more.

Senator BAILEY. That is nonsense. They only export a certain class of cattle.

Mr. FLORSHEIM. That fixes the world price.

Senator BAILEY. It does not anything of the kind. The price paid in every market in the world, the price of cattle. Cattle are not like wheat or cotton. You can not export anything but two classes—the very best and the very worst. One goes to England on the hoof frequently and the other in a can. One is the very best and the other the very cheapest. You can take a steer that weighs 1,400 pounds that is 5 years old and he will bring 4 cents a pound. You take a 1,400-pound steer that is 3 years old and he will bring 6 cents a pound. It does not go by pound; it goes by quality and age and the method of packing.

STATEMENT OF WILLIAM D'OENCH, JR.—Resumed.

Mr. D'OENCH. May I be permitted to finish my little story? I have been an interested listener here to this argument, but I would like to get through. I have not very much more. I only want to say that the shoe manufacturers feel that having all these articles on the dutiable list, which articles are largely free to the British manufacturer, and with his ability to buy machinery free of royalty, and in view of the further fact that his labor cost is about half, we feel that it would be very difficult for us to meet him in open competition. In other words, we would be seriously handicapped. We, as I say, are paying about twice as much for labor as he is. We must pay more for many articles entering into the manufacture of shoes, and we are obliged to pay a royalty, so that if the 10 per cent is taken off it gives him a great advantage and creates a very material handicap for the American shoe manufacturer.

Senator SIMMONS. How many of those articles have you enumerated there?

Mr. D'OENCH. I have not counted them, but it will not take a moment. There are about 60, more or less.

Senator SIMMONS. They are subject to a tariff?

Mr. D'OENCH. Yes, sir.

Senator SIMMONS. Do you think the tariff on those various articles results in an increase of the price?

Mr. D'OENCH. Yes; I do.

Senator SIMMONS. You think that as a general proposition?

Mr. D'OENCH. As a general proposition I do. It operates as it would on anything else. They are just articles of commerce.

Senator SMOOT. Not all of those articles enter into all classes of shoes. May be a few in one class and a few in another class.

Senator SIMMONS. His proposition is, If you put shoes on the free list you ought to put on the free list all of the various things that he says enter into the composition of shoes, and his statement is that the tariff on each one of those articles increases the price of those articles.

Mr. D'OENCH. Yes.

Senator SIMMONS. But for the tariff on those 60 articles you could get them cheaper?

Mr. D'OENCH. I think so.

Senator SIMMONS. You think the German manufacturer or the European manufacturer—the English manufacturer—not having to pay the tariff, gets those things cheaper?

Mr. D'OENCH. Yes. Now, in addition to that, I have here a list of the duties that are levied by other countries on American-made shoes; on all shoes, I suppose.

Senator SIMMONS. Now, does that 10 per cent duty on shoes make shoes higher for this country?

Mr. D'OENCH. We have very severe competition, as the gentleman just suggested.

Senator SIMMONS. You said the duty on these various 60 articles made these articles higher. Now, does the duty of 10 per cent on shoes make shoes higher in this market; is that the effect?

Mr. D'OENCH. Not necessarily higher; but it puts the English manufacturer in a position where he can not undersell us as easily as he could without. For instance, the importer of English-made shoes will have to take into consideration this 10 per cent.

Senator SIMMONS. Why would not the same thing be true of those 60 articles?

Mr. D'OENCH. It is true.

Senator SIMMONS. The foreign manufacturer is in a disadvantageous position, but it would not affect the price in the American market.

Mr. D'OENCH. Because those articles are free to the foreigner it does not make them free to us. It enables him to buy them for a little less.

Senator LODGE. Why do those 60 articles you speak of cost less abroad?

Mr. D'OENCH. Why do they cost less?

Mr. McELROY. The thread that they use to sew soles on shoes costs in this country \$1.05 a pound, and the thread, under another name in

shoes, \$2,500,000, go to England, but it does mean that the \$2,500,000 worth of shoes go some to the West Indies, some to South Africa, some to Australia, and they are distributed around the world in the English colonies. I do not know whether that includes Canada or not.

Senator HEYBURN. You are speaking of exports or imports?

Mr. FLORSHEIM. Take it in Cuba, our exports have jumped wonderfully. During this winter we made an investigation of the matter, and we found out that we had a preferential duty of 25 per cent. Naturally that gave us quite an advantage.

Senator SIMMONS. You say that those figures showing \$2,000,000 of exports to England, France, and Germany are misleading because they simply go through that channel to some other foreign market?

Mr. FLORSHEIM. Some of them, and some of them are shipped direct to foreign colonies of Great Britain and are put in the exports of Great Britain.

Senator SIMMONS. Then this \$11,000,000 or \$13,000,000 of exports are sold in the markets of the world?

Mr. FLORSHEIM. Yes.

Senator SIMMONS. And whether they are sold in England or sold in Germany, if they are sold in the markets of the world, don't you have to compete with English and German shoes?

Mr. FLORSHEIM. To a certain extent, yes; and to a certain extent, no.

Senator SIMMONS. You do meet that competition to the extent of about \$13,000,000 a year, do you not?

Mr. FLORSHEIM. No. If we have a preferential duty to Cuba of 25 per cent, we do not meet that competition directly. We have a preferential of 25 per cent, which enables us to do business with Cuba, due to that advantage.

Senator SIMMONS. Leave Cuba out.

Mr. FLORSHEIM. All right; let us go a little further and take Mexico. We ship about \$1,000,000 worth of stuff, I believe, into Mexico. We naturally have an advantage, because of the great many Americans living there, and we have a contiguous country which is pretty close to us. We can send traveling men to Mexico the same as to California, and it does not take as long, really.

Senator WILLIAMS. Let us get back to the shoes sold to Great Britain—Great Britain or the British colonies. Do you know how much was sold to South Africa?

Mr. FLORSHEIM. No, sir. Those are figures which it is pretty hard to keep in one's mind.

Senator SMOOT. Is it not a fact that a great many of the shoes that you sold to England, Germany, Austria, and France, particularly, are sold on the style of the shoes?

Mr. FLORSHEIM. Certainly. They are not competitive so far as shoes are concerned. They are merely sold because certain people prefer the American fashions. There is no doubt about that.

Senator SIMMONS. Fashions of America?

Mr. FLORSHEIM. The American fashion or style. You know we have extreme styles here, and some people like them and some do not.

Senator SMOOT. Every American, I suppose, in England and France and Germany wears American shoes?

Mr. FLORSHEIM. Generally; and the few rich people over there that want some extreme styles.

Senator McCUMBER. Tell me why England can not cater to the trade as well as we can.

Mr. FLORSHEIM. That is easily answered. They have not got into the market. If they had a market where they could develop their manufacturing the way we have, and if you will permit them to get their shoes into this country so they can develop their manufacturing as we have developed ours here, then they will do just exactly as much as we do and have the advantage of cheaper labor and other advantages. The manufacturing business has got to be developed, and if you can specialize, as American manufacturers can, owing to the very large markets for one particular style of shoe, the manufacturer naturally can do a big business and get his manufacturing costs pretty low.

Senator McCUMBER. How much do they sell in England?

Mr. FLORSHEIM. About \$2,000,000 a year.

Senator McCUMBER. Is not that a sufficient quantity to justify a department in shoe manufacturing such as would cater to that particular element that desires those shoes?

Mr. FLORSHEIM. I do not think so. Let me analyze that. It consists of men's, women's misses', children's, boys', and youths', shoes, and some other kinds. Now, you subdivide that \$2,000,000 into those different kinds of shoes, all extreme styles, that they could not do anything with in England; it would not pay an English manufacturer to make those styles. That follows with the American manufacturer. There are certain styles demanded in England, or, we will say, South America or Cuba, for instance, which I happened to notice when I was over there this season, a certain fancy shape. If we would make them, we could sell more of them in Cuba, but on account of this small demand for them, the expense of putting in the lasts and the shapes and the cappings and the wastes because we could not use them right along, it would hardly pay us to put them in; though the Spanish manufacturer, notwithstanding the 25 per cent preferential we have, is selling those shoes in Cuba.

Senator HEYBURN. Are any of those special classes of shoes made out of hides which were dutiable hides under the Dingley bill; weren't they made of the skins—

Mr. FLORSHEIM. No; sole leather—that is used in all kinds of shoes—that was dutiable.

Senator HEYBURN. All sole leather?

Mr. FLORSHEIM. Yes; all hides that were used to make sole leather were dutiable.

Senator HEYBURN. The uppers?

Mr. FLORSHEIM. Not entirely; certain kinds of uppers were and some kinds were not.

Senator SIMMONS. Are you making money on your foreign shoe trade—that \$13,000,000 of export shoes?

Mr. FLORSHEIM. We are, so far as I know, and my observation is reasonably good. We get the same price over there that we get in this country.

Senator SIMMONS. You are making money?

Mr. FLORSHEIM. Some money, according to the last statistics, I believe.

Senator SIMMONS. Is that a profitable business—the shoes that you sell abroad; do you sell them at a profit?

Mr. FLORSHEIM. We sell them for the same prices precisely that we sell them for in this country, but each house would have to answer for itself whether it has a profit, because the business is not large enough to warrant anybody in making any great profit. If you have \$350,000,000 of shoe business, manufacturing and exporting, and a paltry 3 per cent of these different kinds of goods, which is a very small business when analyzed, you know—our export business is magnified on paper, but it does not amount to anything in proportion to the enormity of the industry. At least it does not appear to me that way.

Senator SIMMONS. You say you sell at the same price?

Mr. FLORSHEIM. Yes.

Senator SIMMONS. You think that the profit is a reasonable profit?

Mr. FLORSHEIM. Sure. We would not sell them if we did not think so.

Senator STONE. I understood you to say that no western manufacturer of shoes favored free shoes during the time the Payne-Aldrich bill was before Congress. Mr. Florsheim seems to be a very well-informed manufacturer of shoes, and I would like at this point to put into the record a few extracts from both eastern and western manufacturers and ask his opinion as to the truth of the statements made. I will put in a letter which appeared in the hearing before the Ways and Means Committee of the House, November 28, 1908, page 6862, dated Lynn, Mass., November 24.

Hon. SERENO E. PAYNE,

*Chairman of the Ways and Means Committee,
Washington, D. C.:*

As probably the largest manufacturers of women's fine shoes in the world, the Sorosis Shoe Co. desires to go on record as declaring the present tariff on certain shoes that we manufacture wholly unnecessary to our success and a distinct injustice to the consuming public. We favor the complete abolition of this tariff, welcoming the competition of the world. We should be glad, at the convenience of the Ways and Means Committee, to present arguments for the removal of the duty on boots and shoes like those of our own manufacture.

A. E. LITTLE & Co.

Here is what Gov. Douglas said when he addressed the President, Mr. Roosevelt, urging free hides, and intended to influence the President in securing free hides. He says:

Take away the duties that prevent us from obtaining leather at the same prices paid by our foreign competitors and we will not only hold our own markets, with or without a duty, but we will invade foreign markets, at good wages to our boot and shoe workers.

Now, here is what Mr. Jones, who has been referred to, said before the Ways and Means Committee, November 28, 1908:

Mr. COCHRAN. Surely if we import hardly any shoes now under these onerous conditions, it is not likely that under better conditions we will import less.

Mr. JONES. It is less likely.

Mr. COCHRAN. I assume, then, it is your opinion that the giving of free raw material would enable you to take your chances without protection.

Mr. JONES. I am glad to say that I am on record in a statement made several years ago to the effect that I should be glad to see shoes absolutely free, if all the leather and other materials were free. The New England Shoe and Leather Association was united in that view at that time.

By the way, I received a letter from my friend, Mr. D'Oench, who is now before the committee, dated April 5, 1909, in which he says:

Especially do I want to call your attention to the testimony of Mr. Charles H. Jones, of Boston, Mass., pages 2452 to 2463. Mr. Jones is the president of the Commonwealth Shoe & Leather Co., of Boston, Mass. He has made a thorough study of this subject, and his testimony is, I think, usually concise, clear, and instructive.

Now, so much for the eastern people; a word about the western people.

Senator SIMMONS. What is the date of that letter you just read?

Senator STONE. I gave it; April 5, 1909.

I have a letter here—these are some letters that I have taken out of a lot of files that I kept of communications sent to me while the bill of 1909 was pending in the Senate, and when they were trying to get free hides.

Senator GALLINGER. It will be observed that Mr. Jones specifies all articles entering into the manufacture of shoes as well as leather.

Senator STONE. That is the language of his letter. Here is a letter from Hannibal, Mo., April 24, 1909:

HON. WILLIAM J. STONE,
Washington, D. C.

DEAR SIR: We acknowledge receipt of your favor of the 15th and note your question as to placing shoes on the free list. We see no reason why shoes should not be placed on the free list if hides are, as we are certain that America can compete with any other nation in any line.

Thanking you for the consideration you have given our letter and trusting you will be able to vote as we have suggested, we remain,

Yours, truly,

HANNIBAL SHOE COMPANY.
THOMAS J. COUSINS,
President.

Mr. JOHNSON. I would like to ask who that letter was from?

Senator STONE. The Hannibal Shoe Co.

Mr. JOHNSON. I think they are already out of business.

Senator STONE. Did they go out of business because of free hides?

Mr. JOHNSON. I do not know the special reason. I guess they went out of business because they did not find it profitable.

Senator STONE. It was a shoe-manufacturing concern.

I have a letter here from the Wolfe Bros. Shoe Co., of Columbus, Ohio, dated March 29, 1909:

Senator WILLIAM J. STONE,
Washington, D. C.

DEAR SIR: AS one of the largest manufacturers of shoes in the country, we urge you to lend your influence to place shoes on the free list.

The American manufacturer needs no protection. With free hides and cheap raw materials the American shoemaker can shoe the world.

Very respectfully,

THE WOLFE BROTHERS SHOE CO.
R. F. WOLFE, *President.*

Now, while we are on that point, let me call your attention to another thing—not free shoes, but cheaper shoes. Mr. Jackson Johnson [laughter], of Roberts, Johnson & Rand Shoe Co., made a speech before the President of the United States—I have not the exact date, but this speech was filed with the Ways and Means Committee by Mr. Jones, as can be seen at page 6845, as follows. I read this extract from it:

If hides were on the free list, the cost of heavy shoes worn by farmers and wage earners would be greatly decreased and our exportation of such products

would be greatly increased. With our great resources for tanning and finishing hides we could place our products into the new markets cheaper than any other country in the world.

And here is what a manufacturer of leather had to say to the Ways and Means Committee:

Elisha W. Cobb, of Boston, manufacturer of leather, said to the committee:

Mr. McCALL. Now, Mr. Cobb, what do you think about the effect on making upper leather in this country of putting upper leather on the free list?

Mr. COBB. Answering your question, I should say that if I can buy my hides on the free list I think the American upper-leather tanner can beat the world out.

Mr. DALZELL. Without a duty?

Mr. COBB. Without a duty.

The Brown Shoe Co. is a St. Louis concern, and a large one. Mr. George W. Brown, president of that company, and a very excellent man, addressed a letter to Senator Theodore E. Burton on June 24, 1909, and inclosed to him some resolutions, which he very heartily indorsed—or rather it was a telegram—and I will read just a line from it. He says:

Shoes are materially higher to-day in consequence of the increased cost of leather caused by the present tariff on hides.

The high price of shoes, according to Mr. Brown, was due largely to the tariff on hides, which he was urging us here to take off. At that time you shoe manufacturers and tanners and your associations, or two associations acting jointly, established at Washington a bureau in charge of Mr. A. H. Lockwood, to furnish literature and argument to Members of Congress in favor of removing the hide duty.

Senator CLARK. I was wondering where this all came from.

Senator STONE. This [indicating] came from that bureau. Here is what I read from one of the printed arguments sent to me:

Granted, for sake of argument, that the farmer gains by the imposition of this duty, the added cost of the shoes worn by his family, to say nothing of the added cost of his harness, buggy, and other leathers, more than offsets any possible gain derived from the high duty.

Mr. FLORSHEIM. That is correct, and we can prove it.

Senator STONE. Mr. D'Oench wrote to me saying that if we average five members to a farmer's family, the extra expense to him by reason of the tariff on shoes, harness, and other leather goods amounted to a good deal more than the \$2.25 which the farmer, it was claimed, received from the tariff.

Here is a letter of like effect from Mr. R. B. Price, a banker of Columbia, Mo., who was interested in shoe manufacturing. He says in his letter to me:

Of course the burden ultimately falls on the consumer who buys the shoes. Men who wear shoes would prefer to have the raw material admitted free, so as to enable them to get their shoes at the minimum.

Mr. FLORSHEIM. I can answer that.

Senator BAILEY. Which they did not do when we took the duty off the raw material.

Senator STONE. I wish to read just one additional brief extract from a letter, also from my good friend, Mr. D'Oench, urging me to vote for free hides. He convinced me, and convinced a lot of us, that we ought to have free hides.

We do most sincerely hope you will stand by good, old-fashioned Democratic 'rine [laughter] and vote and work to put hides on the free list.

Senator CLARK. That "Democratic doctrine" appeals to Mr. Stone more than anything else.

Mr. D'OENCH. I am not here to apologize for that, Senator.

Senator STONE. I would like to say that it occurred to me at that time, and it does now, that it was good Democratic doctrine to put hides on the free list, and particularly in the face of all these letters and other statements of like character; that it was a good Democratic policy to put hides on the free list.

Mr. D'OENCH. Would you permit me to say a word?

Senator STONE. I would like to ask if you shoe men and tanners are not rather changing your position?

Mr. FLORSHEIM. Not a bit of it.

Senator STONE. Most people think that the tariff is a bad thing when it is levied on what they buy, and a pretty good thing when it is levied on what they make themselves. You thought it was a bad thing when levied on hides, but a good thing when levied on shoes.

Mr. D'OENCH. Will you permit me to say a word?

Senator STONE. Yes; so we may have your views.

Mr. D'OENCH. I wish to say this, Senator, that if we have free hides and free materials that go into the manufacture of shoes, and we are exempted from this royalty—I can only speak for myself—I believe we would have no difficulty with free shoes.

Mr. FLORSHEIM. Oh, no.

Senator STONE. You don't agree to that?

Mr. FLORSHEIM. Let me answer that. There is no particular significance to this letter, because we are a good deal like the Democratic or Republican Party. We do not always all agree. Some men have different views and insist upon having them. But it does not follow that they are necessarily right or wrong, or that they have not a right to their own opinions, but, speaking for the trade as a whole, I do not think you have a right to take an individual opinion and say that that should rule or tell the Senator what is right and what is wrong.

Senator CLARK. But, Mr. Florsheim, when you gentlemen yourselves who are engaged in the same line of business and are representatives of great individual concerns in that business differ among yourselves, how can you expect us poor laymen to act intelligently at all times?

Mr. FLORSHEIM. We do not differ. You have to take the opinion of the majority; but individuals may differ. That is human nature. But let us take these statements, if you will pardon me.

Senator CLARK. Oh, yes.

Mr. FLORSHEIM. In the first place, the Senator evidently forgets that there are three gentlemen in this room, two in St. Louis, and one in Chicago, who do more business in the aggregate in a year than all the exportation of American shoes. That is to say, they do over \$13,000,000 worth of business in a year—two houses in St. Louis and one in Chicago. So you can see what a small proportion the export business is when one house can sell more goods in this country than the whole Nation can export.

So far as the Lynn letter was concerned, that was simply a very smart advertising dodge that he telegraphed to the Ways and Means Committee. It was heralded all over the country, and it gave him a little bit of publicity, and I do not believe it had any foundation be-

yond the feeling that he would get the publicity and free advertising which he did get.

And it did very good work for him in that direction. But these statements, which were made by some of these gentlemen in some of these letters, do not in any way represent the opinion of the majority of the shoe manufacturers of this country, and the statements that were made regarding free hides—that shoes would be lower in case hides were put on the free list—is verified by the price of shoes to-day. In fact, as I told you gentlemen a few minutes ago, the retail shoe dealer, Mr. Hahn, who I understand is the largest retail shoe dealer in the city of Washington, whom I just left two hours ago, showed me a bill for a shoe which he purchased in 1911 at 90 cents; and the same shoe in 1907 was \$1.15, made by the same house and the same quality. That is a difference of 25 cents a pair. We certainly feel that our statement that shoes would be lower—that the manufacturer would sell shoes for less money—has been verified.

Senator SIMMONS. Do you think that one instance proves that; why don't you come to the average price?

Mr. FLORSHEIM. I will say, in speaking for the gentlemen here, every one of us in comparing selling prices have admitted that shoes are being sold for less to-day by each one of our houses than they were two or three or four years ago.

Senator SIMMONS. Is that less than they were immediately before the new law went into effect?

Mr. FLORSHEIM. Yes, sir.

Senator SIMMONS. Are they less now than they were?

Mr. FLORSHEIM. Yes, sir.

Senator SIMMONS. In 1908 and 1909?

Mr. FLORSHEIM. No, I think that there is still—I think they are sold for less to-day than they were in 1910, and for less to-day than they were in 1907 and 1908.

Senator BAILEY. Would not that be due to the fact that they reduced the tariff on shoes 15 per cent instead of the repeal of the tariff on hides?

Mr. FLORSHEIM. Do you think the price of American shoes would be fixed to a very great extent by the small importations we have had up to this time? Why, possibly they do have some effect, but the importations have not been large enough as yet.

Senator BAILEY. You have put down the price to keep them out. Now you tell us the repeal of 10 per cent duty will break up your business. If that is true, then undoubtedly the reduction of the duty to the extent of 15 per cent, which was a reduction of three-fifths, would compel you to put down your price.

Mr. FLORSHEIM. Not at all. Let me answer that question.

Senator BAILEY. Then it won't compel you to put it down if you take the other 10 per cent off?

Mr. FLORSHEIM. The way it appears to me as a business man is this: As long as the shoe business has internal competition between 1,900 shoe manufacturers doing business and about 2,500 men jobbing shoes in addition to that, necessarily we cut the profit as low as competition conditions will permit. We are actually competitors against each other. And the American people are getting more value for their shoe money than, I believe, any other staple commodity made

in this country to-day. Why this particular industry should be put up as a mark I am at a loss to understand, because the duty of 10 and 15 per cent can almost be called no duty. It is the smallest duty on any bit of wearing apparel or a similar class of merchandise in this country to-day.

Senator BAILEY. That is true; but that does not answer the suggestion I made. You are here now telling us that if we repeal the existing duty of 10 per cent it would subject you to a foreign competition that will practically put you out of business. Yet you ask us to believe that a reduction of the duty from 25 per cent to 10 per cent did not require you to reduce the price of your goods in order to escape foreign competition.

Mr. FLORSHEIM. You are trying to convince me—I will admit that the duty taken off of hides reduced the price of those shoes. We could not have taken off the duty if you had not taken the duty off of the hides, but when you did that you gave us a compensating benefit. Of course, the people got the benefit of it.

Senator BAILEY. You will excuse me for saying that it is absurd for you to tell me that when you reduced your cost of production 5 cents a pair you reduced your selling price 25 cents a pair. I know better than that and so does everybody else. You do not pay much of a compliment to the intelligence of the committee when you ask us to believe that.

Mr. FLORSHEIM. I have not asked you to believe that.

Senator BAILEY. Then you ought not to state it if you do not ask us to believe that it was the abolition of the duty on hides that put down the price of shoes.

Mr. FLORSHEIM. I say that again.

Senator BAILEY. I know, and so does every man on this committee, know, that the duty on each commodity, so far as it affects the selling price at all, affects the selling price of that commodity. The duty on hides does not affect the selling price of shoes. It affects the cost of producing them, but the selling price of shoes is determined by other and competitive conditions, and we could give you your hides not only without a duty, but without any price, and still you would sell your shoes for as much as you could get, competitive conditions considered.

Mr. FLORSHEIM. Not necessarily.

Senator BAILEY. Yes; necessarily; and if an alteration in any duty affected the price of shoes, it would be a reduction of the duty on shoes. The repeal of the duty on hides affected the price of hides, and you say yourself it reduced the price so far as to enable you to reduce the price of shoes; but, then, if repealing the duty of 15 per cent on hides reduced the price of hides, undoubtedly the reduction of the duty on shoes from 25 per cent to 10 per cent would reduce the price of shoes.

Mr. FLORSHEIM. Both together knitted.

Senator BAILEY. If we had not abolished the duty on hides but reduced the duty on shoes 15 per cent you would have to reduce the price.

Mr. FLORSHEIM. That is to say, if you left the duty on hides and reduced it on shoes we would not only have had to reduce the price—we would have had to get out of business.

Senator BAILEY. Hardly get out of business.

Mr. FLORSHEIM. That is what we were asking you—

Senator BAILEY. You would hardly have to get out of business when the whole reduction in the cost for manufacturing a pair of shoes coming from a repeal of the duty on hides is 5 cents a pair, and you, by your own statement, have reduced the selling price 25 cents a pair.

Mr. FLORSHEIM. You won't let me finish my reasons for that. The 15 per cent on hides—if it takes 2 pounds of leather, it takes 5 cents off. On account of the quantity of hides in the market, the decline of the price of the raw hides may be very material and in that way make up the difference.

Senator BAILEY. I understand, but that relation would still exist between the hide, whatever its price, without a duty, and the hide, whatever its price, with a duty.

Mr. FLORSHEIM. It could amount to a great deal. For instance, it absolutely dominates the situation.

Senator LODGE. After the passing of the tariff bill in 1909, did hides advance?

Mr. FLORSHEIM. Yes.

Senator LODGE. They continued to advance during January?

Mr. FLORSHEIM. Yes.

Senator LODGE. Since January, 1910, have they declined?

Mr. FLORSHEIM. Yes, they have been declining; they are not declining now.

Senator LODGE. What I want to get at is that immediately after the repeal of the duty the price of hides advanced?

Mr. FLORSHEIM. Yes, sir; very substantially.

Senator LODGE. And they continued to advance until January, 1910, as I remember; and last spring declined, and the world's price of hides has declined ever since.

Mr. FLORSHEIM. Yes, sir.

Senator LODGE. Would not the decline in the world's price of hides have an effect on your cost of manufacturing?

Mr. FLORSHEIM. That is what I have been trying to convey, Senator.

Senator BAILEY. The first price is now the American price plus the cost of bringing them in, but before you took the duty off, the American price of hides was the world's price of hides plus the cost of bringing them here, plus the duty.

Senator WILLIAMS. Plus something else.

Mr. FLORSHEIM. The price was the European price with about 18 per cent added, which went into the packers' pockets. That makes the price of hides. The packers took that 15 to 18 per cent.

Senator BAILEY. When you say that the packer got it all, you are speaking right in the face of the experience of every man who sells hides and you are talking to men who know something about the price of hides.

Senator WILLIAMS. I want to ask a question, following up the suggestion you made. Taking the duty off of hides enabled the hides to be imported into the United States just that much cheaper. That is true, is it not?

Mr. FLORSHEIM. Yes.

Senator WILLIAMS. Now, in addition to that, is not this a fact, that it broke up the private control by the packers of the American hide market?

Mr. FLORSHEIM. Absolutely; it broke up a domination of the packers controlling the domestic market.

Senator WILLIAMS. In two ways: First, by enabling the product to be imported without the duty, and secondly, by disenabling the Packers' Trust to combine and control the market.

Senator BAILEY. Do you know what per cent of the hides what you call the Packers' Trust controlled?

Mr. FLORSHEIM. It has been variously estimated, and I do not know.

Senator WILLIAMS. About enough to fix the price generally.

Senator BAILEY. About how much?

Senator WILLIAMS. About enough to fix the price generally.

Mr. FLORSHEIM. Absolutely. Particularly the heavy hides. They control a much greater percentage of them than of the light hides. Let me tell you there is nobody that can answer that question.

Senator BAILEY. Between 40 and 45 per cent.

Mr. FLORSHEIM. In the first place, Senator, you will admit that these large packers' own many packing establishments under other names that we know nothing about?

Senator BAILEY. I do not know that.

Mr. FLORSHEIM. I do. I can mention some of them, if necessary.

Senator STONE. It was claimed, with a good deal of color of truth, at least, that the packers owned over 40 per cent of the tanneries of the United States at the time this bill was passed.

Senator BAILEY. If that is true, then they wanted free hides.

Mr. FLORSHEIM. Why should they want free hides? Obviously not, I think. The fact is, they wanted to keep the price of hides up to the price the hides had been and kill the independent tannery. It was just the inversion of that.

Senator CLARK. The only tanner in the Senate wanted free hides.

Senator BAILEY. As a matter of fact, if they were the tanneries that wanted free hides, their interest as a seller of hides might be one way, and their interest as a buyer of hides be the other way. Of course, all tanneries want free hides.

Mr. FLORSHEIM. The object of the free hides feature was—that ought to be explained to you in the last analysis.

Senator BAILEY. It has been explained many a time.

Mr. FLORSHEIM. Not in that sense. If we pay more for our hides and our leather and you people keep the duty on the shoes high enough, we can still go ahead and do business, but the packer was gradually controlling the hide market, and he was gradually controlling the leather market, and he was closing up the avenues of free purchases, and in a few years he would have dominated the shoe factories.

Senator BAILEY. Don't you know, as a matter of fact, that the packers control the market less to-day and two years ago than they did four years and before that?

Mr. FLORSHEIM. The hide market?

Senator BAILEY. Both the hide and the cattle markets.

shoes, \$2,500,000, go to England, but it does mean that the \$2,500,000 worth of shoes go some to the West Indies, some to South Africa, some to Australia, and they are distributed around the world in the English colonies. I do not know whether that includes Canada or not.

Senator HEYBURN. You are speaking of exports or imports?

Mr. FLORSHEIM. Take it in Cuba, our exports have jumped wonderfully. During this winter we made an investigation of the matter, and we found out that we had a preferential duty of 25 per cent. Naturally that gave us quite an advantage.

Senator SIMMONS. You say that those figures showing \$2,000,000 of exports to England, France, and Germany are misleading because they simply go through that channel to some other foreign market?

Mr. FLORSHEIM. Some of them, and some of them are shipped direct to foreign colonies of Great Britain and are put in the exports of Great Britain.

Senator SIMMONS. Then this \$11,000,000 or \$13,000,000 of exports are sold in the markets of the world?

Mr. FLORSHEIM. Yes.

Senator SIMMONS. And whether they are sold in England or sold in Germany, if they are sold in the markets of the world, don't you have to compete with English and German shoes?

Mr. FLORSHEIM. To a certain extent, yes; and to a certain extent, no.

Senator SIMMONS. You do meet that competition to the extent of about \$13,000,000 a year, do you not?

Mr. FLORSHEIM. No. If we have a preferential duty to Cuba of 25 per cent, we do not meet that competition directly. We have a preferential of 25 per cent, which enables us to do business with Cuba, due to that advantage.

Senator SIMMONS. Leave Cuba out.

Mr. FLORSHEIM. All right; let us go a little further and take Mexico. We ship about \$1,000,000 worth of stuff, I believe, into Mexico. We naturally have an advantage, because of the great many Americans living there, and we have a contiguous country which is pretty close to us. We can send traveling men to Mexico the same as to California, and it does not take as long, really.

Senator WILLIAMS. Let us get back to the shoes sold to Great Britain—Great Britain or the British colonies. Do you know how much was sold to South Africa?

Mr. FLORSHEIM. No, sir. Those are figures which it is pretty hard to keep in one's mind.

Senator SMOOT. Is it not a fact that a great many of the shoes that you sold to England, Germany, Austria, and France, particularly, are sold on the style of the shoes?

Mr. FLORSHEIM. Certainly. They are not competitive so far as shoes are concerned. They are merely sold because certain people prefer the American fashions. There is no doubt about that.

Senator SIMMONS. Fashions of America?

Mr. FLORSHEIM. The American fashion or style. You know we have extreme styles here, and some people like them and some do not.

Senator SMOOT. Every American, I suppose, in England and France and Germany wears American shoes?

Mr. FLORSHEIM. Generally; and the few rich people over there that want some extreme styles.

Senator McCUMBER. Tell me why England can not cater to the trade as well as we can.

Mr. FLORSHEIM. That is easily answered. They have not got into the market. If they had a market where they could develop their manufacturing the way we have, and if you will permit them to get their shoes into this country so they can develop their manufacturing as we have developed ours here, then they will do just exactly as much as we do and have the advantage of cheaper labor and other advantages. The manufacturing business has got to be developed, and if you can specialize, as American manufacturers can, owing to the very large markets for one particular style of shoe, the manufacturer naturally can do a big business and get his manufacturing costs pretty low.

Senator McCUMBER. How much do they sell in England?

Mr. FLORSHEIM. About \$2,000,000 a year.

Senator McCUMBER. Is not that a sufficient quantity to justify a department in shoe manufacturing such as would cater to that particular element that desires those shoes?

Mr. FLORSHEIM. I do not think so. Let me analyze that. It consists of men's, women's misses', children's, boys', and youths', shoes, and some other kinds. Now, you subdivide that \$2,000,000 into those different kinds of shoes, all extreme styles, that they could not do anything with in England; it would not pay an English manufacturer to make those styles. That follows with the American manufacturer. There are certain styles demanded in England, or, we will say, South America or Cuba, for instance, which I happened to notice when I was over there this season, a certain fancy shape. If we would make them, we could sell more of them in Cuba, but on account of this small demand for them, the expense of putting in the lasts and the shapes and the cappings and the wastes because we could not use them right along, it would hardly pay us to put them in; though the Spanish manufacturer, notwithstanding the 25 per cent preferential we have, is selling those shoes in Cuba.

Senator HEYBURN. Are any of those special classes of shoes made out of hides which were dutiable hides under the Dingley bill; weren't they made of the skins—

Mr. FLORSHEIM. No; sole leather—that is used in all kinds of shoes—that was dutiable.

Senator HEYBURN. All sole leather?

Mr. FLORSHEIM. Yes; all hides that were used to make sole leather were dutiable.

Senator HEYBURN. The uppers?

Mr. FLORSHEIM. Not entirely; certain kinds of uppers were and some kinds were not.

Senator SIMMONS. Are you making money on your foreign shoe trade—that \$13,000,000 of export shoes?

Mr. FLORSHEIM. We are, so far as I know, and my observation is reasonably good. We get the same price over there that we get in this country.

Senator SIMMONS. You are making money?

Mr. FLORSHEIM. Some money, according to the last statistics, I believe.

Senator SIMMONS. Is that a profitable business—the shoes that you sell abroad; do you sell them at a profit?

Mr. FLORSHEIM. We sell them for the same prices precisely that we sell them for in this country, but each house would have to answer for itself whether it has a profit, because the business is not large enough to warrant anybody in making any great profit. If you have \$350,000,000 of shoe business, manufacturing and exporting, and a paltry 3 per cent of these different kinds of goods, which is a very small business when analyzed, you know—our export business is magnified on paper, but it does not amount to anything in proportion to the enormity of the industry. At least it does not appear to me that way.

Senator SIMMONS. You say you sell at the same price?

Mr. FLORSHEIM. Yes.

Senator SIMMONS. You think that the profit is a reasonable profit?

Mr. FLORSHEIM. Sure. We would not sell them if we did not think so.

Senator STONE. I understood you to say that no western manufacturer of shoes favored free shoes during the time the Payne-Aldrich bill was before Congress. Mr. Florsheim seems to be a very well-informed manufacturer of shoes, and I would like at this point to put into the record a few extracts from both eastern and western manufacturers and ask his opinion as to the truth of the statements made. I will put in a letter which appeared in the hearing before the Ways and Means Committee of the House, November 28, 1908, page 6862, dated Lynn, Mass., November 24.

HON. SERENO E. PAYNE,

*Chairman of the Ways and Means Committee,
Washington, D. C.:*

As probably the largest manufacturers of women's fine shoes in the world, the Sorosis Shoe Co. desires to go on record as declaring the present tariff on certain shoes that we manufacture wholly unnecessary to our success and a distinct injustice to the consuming public. We favor the complete abolition of this tariff, welcoming the competition of the world. We should be glad, at the convenience of the Ways and Means Committee, to present arguments for the removal of the duty on boots and shoes like those of our own manufacture.

A. E. LITTLE & Co.

Here is what Gov. Douglas said when he addressed the President, Mr. Roosevelt, urging free hides, and intended to influence the President in securing free hides. He says:

Take away the duties that prevent us from obtaining leather at the same prices paid by our foreign competitors and we will not only hold our own markets, with or without a duty, but we will invade foreign markets, at good wages to our boot and shoe workers.

Now, here is what Mr. Jones, who has been referred to, said before the Ways and Means Committee, November 28, 1908:

Mr. COCHRAN. Surely if we import hardly any shoes now under these onerous conditions, it is not likely that under better conditions we will import less.

Mr. JONES. It is less likely.

Mr. COCHRAN. I assume, then, it is your opinion that the giving of free raw material would enable you to take your chances without protection.

Mr. JONES. I am glad to say that I am on record in a statement made several years ago to the effect that I should be glad to see shoes absolutely free, if all the leather and other materials were free. The New England Shoe and Leather Association was united in that view at that time.

By the way, I received a letter from my friend, Mr. D'Oench, who is now before the committee, dated April 5, 1909, in which he says:

Especially do I want to call your attention to the testimony of Mr. Charles H. Jones, of Boston, Mass., pages 2452 to 2463. Mr. Jones is the president of the Commonwealth Shoe & Leather Co., of Boston, Mass. He has made a thorough study of this subject, and his testimony is, I think, usually concise, clear, and instructive.

Now, so much for the eastern people; a word about the western people.

Senator SIMMONS. What is the date of that letter you just read?

Senator STONE. I gave it; April 5, 1909.

I have a letter here—these are some letters that I have taken out of a lot of files that I kept of communications sent to me while the bill of 1909 was pending in the Senate, and when they were trying to get free hides.

Senator GALLINGER. It will be observed that Mr. Jones specifies all articles entering into the manufacture of shoes as well as leather.

Senator STONE. That is the language of his letter. Here is a letter from Hannibal, Mo., April 24, 1909:

HON. WILLIAM J. STONE,
Washington, D. C.

DEAR SIR: We acknowledge receipt of your favor of the 15th and note your question as to placing shoes on the free list. We see no reason why shoes should not be placed on the free list if hides are, as we are certain that America can compete with any other nation in any line.

Thanking you for the consideration you have given our letter and trusting you will be able to vote as we have suggested, we remain,

Yours, truly,

HANNIBAL SHOE COMPANY.
THOMAS J. COUSINS,
President.

Mr. JOHNSON. I would like to ask who that letter was from?

Senator STONE. The Hannibal Shoe Co.

Mr. JOHNSON. I think they are already out of business.

Senator STONE. Did they go out of business because of free hides?

Mr. JOHNSON. I do not know the special reason. I guess they went out of business because they did not find it profitable.

Senator STONE. It was a shoe-manufacturing concern.

I have a letter here from the Wolfe Bros. Shoe Co., of Columbus, Ohio, dated March 29, 1909:

Senator WILLIAM J. STONE,
Washington, D. C.

DEAR SIR: As one of the largest manufacturers of shoes in the country, we urge you to lend your influence to place shoes on the free list.

The American manufacturer needs no protection. With free hides and cheap raw materials the American shoemaker can shoe the world.

Very respectfully,

THE WOLFE BROTHERS SHOE CO.
R. F. WOLFE, *President.*

Now, while we are on that point, let me call your attention to another thing—not free shoes, but cheaper shoes. Mr. Jackson Johnson [laughter], of Roberts, Johnson & Rand Shoe Co., made a speech before the President of the United States—I have not the exact date, but this speech was filed with the Ways and Means Committee by Mr. Jones, as can be seen at page 6845, as follows. I read this extract from it:

If hides were on the free list, the cost of heavy shoes worn by farmers and wage earners would be greatly decreased and our exportation of such products

would be greatly increased. With our great resources for tanning and finishing hides we could place our products into the new markets cheaper than any other country in the world.

And here is what a manufacturer of leather had to say to the Ways and Means Committee:

Elisha W. Cobb, of Boston, manufacturer of leather, said to the committee:

Mr. McCall. Now, Mr. Cobb, what do you think about the effect on making upper leather in this country of putting upper leather on the free list?

Mr. Cobb. Answering your question, I should say that if I can buy my hides on the free list I think the American upper-leather tanner can beat the world out.

Mr. Dalzell. Without a duty?

Mr. Cobb. Without a duty.

The Brown Shoe Co. is a St. Louis concern, and a large one. Mr. George W. Brown, president of that company, and a very excellent man, addressed a letter to Senator Theodore E. Burton on June 24, 1909, and inclosed to him some resolutions, which he very heartily indorsed—or rather it was a telegram—and I will read just a line from it. He says:

Shoes are materially higher to-day in consequence of the increased cost of leather caused by the present tariff on hides.

The high price of shoes, according to Mr. Brown, was due largely to the tariff on hides, which he was urging us here to take off. At that time you shoe manufacturers and tanners and your associations, or two associations acting jointly, established at Washington a bureau in charge of Mr. A. H. Lockwood, to furnish literature and argument to Members of Congress in favor of removing the hide duty.

Senator Clark. I was wondering where this all came from.

Senator Stone. This [indicating] came from that bureau. Here is what I read from one of the printed arguments sent to me:

Granted, for sake of argument, that the farmer gains by the imposition of this duty, the added cost of the shoes worn by his family, to say nothing of the added cost of his harness, buggy, and other leathers, more than offsets any possible gain derived from the high duty.

Mr. Florsheim. That is correct, and we can prove it.

Senator Stone. Mr. D'Oench wrote to me saying that if we average five members to a farmer's family, the extra expense to him by reason of the tariff on shoes, harness, and other leather goods amounted to a good deal more than the \$2.25 which the farmer, it was claimed, received from the tariff.

Here is a letter of like effect from Mr. R. B. Price, a banker of Columbia, Mo., who was interested in shoe manufacturing. He says in his letter to me:

Of course the burden ultimately falls on the consumer who buys the shoes. Men who wear shoes would prefer to have the raw material admitted free, so as to enable them to get their shoes at the minimum.

Mr. Florsheim. I can answer that.

Senator Bailey. Which they did not do when we took the duty off the raw material.

Senator Stone. I wish to read just one additional brief extract from a letter, also from my good friend, Mr. D'Oench, urging me to vote for free hides. He convinced me, and convinced a lot of us, that we ought to have free hides.

We do most sincerely hope you will stand by good, old-fashioned Democratic doctrine [laughter] and vote and work to put hides on the free list.

Senator CLARK. That "Democratic doctrine" appeals to Mr. Stone more than anything else.

Mr. D'OENCH. I am not here to apologize for that, Senator.

Senator STONE. I would like to say that it occurred to me at that time, and it does now, that it was good Democratic doctrine to put hides on the free list, and particularly in the face of all these letters and other statements of like character; that it was a good Democratic policy to put hides on the free list.

Mr. D'OENCH. Would you permit me to say a word?

Senator STONE. I would like to ask if you shoe men and tanners are not rather changing your position?

Mr. FLORSHEIM. Not a bit of it.

Senator STONE. Most people think that the tariff is a bad thing when it is levied on what they buy, and a pretty good thing when it is levied on what they make themselves. You thought it was a bad thing when levied on hides, but a good thing when levied on shoes.

Mr. D'OENCH. Will you permit me to say a word?

Senator STONE. Yes; so we may have your views.

Mr. D'OENCH. I wish to say this, Senator, that if we have free hides and free materials that go into the manufacture of shoes, and we are exempted from this royalty—I can only speak for myself—I believe we would have no difficulty with free shoes.

Mr. FLORSHEIM. Oh, no.

Senator STONE. You don't agree to that?

Mr. FLORSHEIM. Let me answer that. There is no particular significance to this letter, because we are a good deal like the Democratic or Republican Party. We do not always all agree. Some men have different views and insist upon having them. But it does not follow that they are necessarily right or wrong, or that they have not a right to their own opinions, but, speaking for the trade as a whole, I do not think you have a right to take an individual opinion and say that that should rule or tell the Senator what is right and what is wrong.

Senator CLARK. But, Mr. Florsheim, when you gentlemen yourselves who are engaged in the same line of business and are representatives of great individual concerns in that business differ among yourselves, how can you expect us poor laymen to act intelligently at all times?

Mr. FLORSHEIM. We do not differ. You have to take the opinion of the majority; but individuals may differ. That is human nature. But let us take these statements, if you will pardon me.

Senator CLARK. Oh, yes.

Mr. FLORSHEIM. In the first place, the Senator evidently forgets that there are three gentlemen in this room, two in St. Louis, and one in Chicago, who do more business in the aggregate in a year than all the exportation of American shoes. That is to say, they do over \$13,000,000 worth of business in a year—two houses in St. Louis and one in Chicago. So you can see what a small proportion the export business is when one house can sell more goods in this country than the whole Nation can export.

So far as the Lynn letter was concerned, that was simply a very smart advertising dodge that he telegraphed to the Ways and Means Committee. It was heralded all over the country, and it gave him a little bit of publicity, and I do not believe it had any foundation be-

yond the feeling that he would get the publicity and free advertising which he did get.

And it did very good work for him in that direction. But these statements, which were made by some of these gentlemen in some of these letters, do not in any way represent the opinion of the majority of the shoe manufacturers of this country, and the statements that were made regarding free hides—that shoes would be lower in case hides were put on the free list—is verified by the price of shoes to-day. In fact, as I told you gentlemen a few minutes ago, the retail shoe dealer, Mr. Hahn, who I understand is the largest retail shoe dealer in the city of Washington, whom I just left two hours ago, showed me a bill for a shoe which he purchased in 1911 at 90 cents; and the same shoe in 1907 was \$1.15, made by the same house and the same quality. That is a difference of 25 cents a pair. We certainly feel that our statement that shoes would be lower—that the manufacturer would sell shoes for less money—has been verified.

Senator SIMMONS. Do you think that one instance proves that; why don't you come to the average price?

Mr. FLORSHEIM. I will say, in speaking for the gentlemen here, every one of us in comparing selling prices have admitted that shoes are being sold for less to-day by each one of our houses than they were two or three or four years ago.

Senator SIMMONS. Is that less than they were immediately before the new law went into effect?

Mr. FLORSHEIM. Yes, sir.

Senator SIMMONS. Are they less now than they were?

Mr. FLORSHEIM. Yes, sir.

Senator SIMMONS. In 1908 and 1909?

Mr. FLORSHEIM. No, I think that there is still—I think they are sold for less to-day than they were in 1910, and for less to-day than they were in 1907 and 1908.

Senator BAILEY. Would not that be due to the fact that they reduced the tariff on shoes 15 per cent instead of the repeal of the tariff on hides?

Mr. FLORSHEIM. Do you think the price of American shoes would be fixed to a very great extent by the small importations we have had up to this time? Why, possibly they do have some effect, but the importations have not been large enough as yet.

Senator BAILEY. You have put down the price to keep them out. Now you tell us the repeal of 10 per cent duty will break up your business. If that is true, then undoubtedly the reduction of the duty to the extent of 15 per cent, which was a reduction of three-fifths, would compel you to put down your price.

Mr. FLORSHEIM. Not at all. Let me answer that question.

Senator BAILEY. Then it won't compel you to put it down if you take the other 10 per cent off?

Mr. FLORSHEIM. The way it appears to me as a business man is this: As long as the shoe business has internal competition between 1,900 shoe manufacturers doing business and about 2,500 men jobbing shoes in addition to that, necessarily we cut the profit as low as competition conditions will permit. We are actually competitors against each other. And the American people are getting more value for their shoe money than, I believe, any other staple commodity made

in this country to-day. Why this particular industry should be put up as a mark I am at a loss to understand, because the duty of 10 and 15 per cent can almost be called no duty. It is the smallest duty on any bit of wearing apparel or a similar class of merchandise in this country to-day.

Senator BAILEY. That is true; but that does not answer the suggestion I made. You are here now telling us that if we repeal the existing duty of 10 per cent it would subject you to a foreign competition that will practically put you out of business. Yet you ask us to believe that a reduction of the duty from 25 per cent to 10 per cent did not require you to reduce the price of your goods in order to escape foreign competition.

Mr. FLORSHEIM. You are trying to convince me—I will admit that the duty taken off of hides reduced the price of those shoes. We could not have taken off the duty if you had not taken the duty off of the hides, but when you did that you gave us a compensating benefit. Of course, the people got the benefit of it.

Senator BAILEY. You will excuse me for saying that it is absurd for you to tell me that when you reduced your cost of production 5 cents a pair you reduced your selling price 25 cents a pair. I know better than that and so does everybody else. You do not pay much of a compliment to the intelligence of the committee when you ask us to believe that.

Mr. FLORSHEIM. I have not asked you to believe that.

Senator BAILEY. Then you ought not to state it if you do not ask us to believe that it was the abolition of the duty on hides that put down the price of shoes.

Mr. FLORSHEIM. I say that again.

Senator BAILEY. I know, and so does every man on this committee, know, that the duty on each commodity, so far as it affects the selling price at all, affects the selling price of that commodity. The duty on hides does not affect the selling price of shoes. It affects the cost of producing them, but the selling price of shoes is determined by other and competitive conditions, and we could give you your hides not only without a duty, but without any price, and still you would sell your shoes for as much as you could get, competitive conditions considered.

Mr. FLORSHEIM. Not necessarily.

Senator BAILEY. Yes; necessarily; and if an alteration in any duty affected the price of shoes, it would be a reduction of the duty on shoes. The repeal of the duty on hides affected the price of hides, and you say yourself it reduced the price so far as to enable you to reduce the price of shoes; but, then, if repealing the duty of 15 per cent on hides reduced the price of hides, undoubtedly the reduction of the duty on shoes from 25 per cent to 10 per cent would reduce the price of shoes.

Mr. FLORSHEIM. Both together knitted.

Senator BAILEY. If we had not abolished the duty on hides but reduced the duty on shoes 15 per cent you would have to reduce the price.

Mr. FLORSHEIM. That is to say, if you left the duty on hides and reduced it on shoes we would not only have had to reduce the price—we would have had to get out of business.

Senator BAILEY. Hardly get out of business.

Mr. FLORSHEIM. That is what we were asking you—

Senator BAILEY. You would hardly have to get out of business when the whole reduction in the cost for manufacturing a pair of shoes coming from a repeal of the duty on hides is 5 cents a pair, and you, by your own statement, have reduced the selling price 25 cents a pair.

Mr. FLORSHEIM. You won't let me finish my reasons for that. The 15 per cent on hides—if it takes 2 pounds of leather, it takes 5 cents off. On account of the quantity of hides in the market, the decline of the price of the raw hides may be very material and in that way make up the difference.

Senator BAILEY. I understand, but that relation would still exist between the hide, whatever its price, without a duty, and the hide, whatever its price, with a duty.

Mr. FLORSHEIM. It could amount to a great deal. For instance, it absolutely dominates the situation.

Senator LODGE. After the passing of the tariff bill in 1909, did hides advance?

Mr. FLORSHEIM. Yes.

Senator LODGE. They continued to advance during January?

Mr. FLORSHEIM. Yes.

Senator LODGE. Since January, 1910, have they declined?

Mr. FLORSHEIM. Yes, they have been declining; they are not declining now.

Senator LODGE. What I want to get at is that immediately after the repeal of the duty the price of hides advanced?

Mr. FLORSHEIM. Yes, sir; very substantially.

Senator LODGE. And they continued to advance until January, 1910, as I remember; and last spring declined, and the world's price of hides has declined ever since.

Mr. FLORSHEIM. Yes, sir.

Senator LODGE. Would not the decline in the world's price of hides have an effect on your cost of manufacturing?

Mr. FLORSHEIM. That is what I have been trying to convey, Senator.

Senator BAILEY. The first price is now the American price plus the cost of bringing them in, but before you took the duty off, the American price of hides was the world's price of hides plus the cost of bringing them here, plus the duty.

Senator WILLIAMS. Plus something else.

Mr. FLORSHEIM. The price was the European price with about 18 per cent added, which went into the packers' pockets. That makes the price of hides. The packers took that 15 to 18 per cent.

Senator BAILEY. When you say that the packer got it all, you are speaking right in the face of the experience of every man who sells hides and you are talking to men who know something about the price of hides.

Senator WILLIAMS. I want to ask a question, following up the suggestion you made. Taking the duty off of hides enabled the hides to be imported into the United States just that much cheaper. That is true, is it not?

Mr. FLORSHEIM. Yes.

Senator WILLIAMS. Now, in addition to that, is not this a fact, that it broke up the private control by the packers of the American hide market?

Mr. FLORSHEIM. Absolutely; it broke up a domination of the packers controlling the domestic market.

Senator WILLIAMS. In two ways: First, by enabling the product to be imported without the duty, and secondly, by disenabling the Packers' Trust to combine and control the market.

Senator BAILEY. Do you know what per cent of the hides what you call the Packers' Trust controlled?

Mr. FLORSHEIM. It has been variously estimated, and I do not know.

Senator WILLIAMS. About enough to fix the price generally.

Senator BAILEY. About how much?

Senator WILLIAMS. About enough to fix the price generally.

Mr. FLORSHEIM. Absolutely. Particularly the heavy hides. They control a much greater percentage of them than of the light hides. Let me tell you there is nobody that can answer that question.

Senator BAILEY. Between 40 and 45 per cent.

Mr. FLORSHEIM. In the first place, Senator, you will admit that these large packers' own many packing establishments under other names that we know nothing about?

Senator BAILEY. I do not know that.

Mr. FLORSHEIM. I do. I can mention some of them, if necessary.

Senator STONE. It was claimed, with a good deal of color of truth, at least, that the packers owned over 40 per cent of the tanneries of the United States at the time this bill was passed.

Senator BAILEY. If that is true, then they wanted free hides.

Mr. FLORSHEIM. Why should they want free hides? Obviously not, I think. The fact is, they wanted to keep the price of hides up to the price the hides had been and kill the independent tannery. It was just the inversion of that.

Senator CLARK. The only tanner in the Senate wanted free hides.

Senator BAILEY. As a matter of fact, if they were the tanneries that wanted free hides, their interest as a seller of hides might be one way, and their interest as a buyer of hides be the other way. Of course, all tanneries want free hides.

Mr. FLORSHEIM. The object of the free hides feature was—that ought to be explained to you in the last analysis.

Senator BAILEY. It has been explained many a time.

Mr. FLORSHEIM. Not in that sense. If we pay more for our hides and our leather and you people keep the duty on the shoes high enough, we can still go ahead and do business, but the packer was gradually controlling the hide market, and he was gradually controlling the leather market, and he was closing up the avenues of free purchases, and in a few years he would have dominated the shoe factories.

Senator BAILEY. Don't you know, as a matter of fact, that the packers control the market less to-day and two years ago than they did four years and before that?

Mr. FLORSHEIM. The hide market?

Senator BAILEY. Both the hide and the cattle markets.

COMMITTEE ON FINANCE.

UNITED STATES SENATE.

BOIES PENROSE, *Chairman.*

SHELBY M. CULLOM.	JOSEPH W. BAILEY.
HENRY CABOT LODGE.	F. M. SIMMONS.
PORTER J. McCUMBER.	WILLIAM J. STONE.
REED SMOOT.	JOHN SHARP WILLIAMS.
JACOB H. GALLINGER.	JOHN W. KERN.
CLARENCE D. CLARK, of Wyoming.	CHARLES F. JOHNSON, of Maine.
WELDON B. HEYBURN.	
ROBERT M. LA FOLLETTE.	

H F 1756
23
1911

HEARINGS ON THE TARIFF.

COMMITTEE ON FINANCE,
UNITED STATES SENATE,
Washington, D. C., Monday, May 15, 1911.

The committee met at 10 a. m., Hon. Boies Penrose in the chair.

Present, Senators Penrose (chairman), Cullom, Lodge, McCumber, Smoot, Gallinger, Clark, Heyburn, La Follette, Bailey, Simmons, Stone, Williams, Kern, and Johnson.

The CHAIRMAN. The reciprocity bill will be temporarily laid aside, and the free-list bill will be taken up for the purpose of suiting the convenience of a number of gentlemen from the State of Texas who desire to be heard upon certain schedules in that measure.

After that hearing is disposed of, the committee will return to the consideration of the reciprocity bill.

Senator BAILEY. We will ask you to hear more than the gentlemen from Texas.

The CHAIRMAN. We will hear all of them.

Senator BAILEY. In other words, the hearing is for the representatives of the Texas Cattle Raisers' Association and the National Live Stock Association.

The CHAIRMAN. Yes. They will be heard, and these hearings will form part of the proceedings as to the free-list bill and will not be interpolated with the reciprocity proceedings.

Senator SMOOT. Would it not be just as well, inasmuch as we have the order to have the cattle raisers' hearings separate, to have an order that the shoe hearings shall also be separate, and included with the hearings on the free-list bill?

The CHAIRMAN. The shoe hearings will also be not interpolated with the reciprocity act, but will be printed with the hearings on the free-list bill.

The Chair is informed that the shoe hearings have already been so separated.

The committee thereupon proceeded to the consideration of H. R. 4413.

The CHAIRMAN. Now, Senator Bailey, if you will introduce the Texas people and their allied interests the committee will hear them.

Senator BAILEY. Mr. Chairman, I am first going to ask you to hear Mr. Cowan, who is, and has been for years, the attorney of the Texas Cattle Raisers' Association, and, I think, without overpraising him, I can safely say he knows as much about the meat industry of the United States as any man in it, and then I am going to ask Mr. Cowan, after I present him to the committee, to arrange with those associated with him in this hearing for the presentation of their case.

Mr. Chairman, and gentlemen of the committee, I now introduce Mr. Cowan, of Texas.

STATEMENT OF MR. S. H. COWAN, OF FORT WORTH, TEX.

The CHAIRMAN. Mr. Cowan, will you state to the committee where you reside?

Mr. COWAN. Yes, sir. I reside at Fort Worth, Tex.

The CHAIRMAN. What is your business.

Mr. COWAN. I am practicing attorney for the Cattle Raisers' Association of Texas, and the National Live Stock Association. Shall I speak from here?

The CHAIRMAN. If you will. That will be more convenient for you and the committee.

Mr. COWAN. Mr. Chairman, and gentlemen of the committee, I have appeared a number of times before the committees of the Senate, as some of you Senators know, and before committees of the House, and I realize that there is a great deal of waste of time, in the first place, for want of preparation, and, in the second place, on account of the condition of the minds of the members of the committee, when hearing a statement. It is difficult to anticipate in advance, just how far a person who is being heard will go, and just what he may say touching the particular phases of the case he is presenting, and therefore it often results that the questions from the committee but anticipate the things that have already been prepared, and in the due course of time will be presented, provided the speaker is permitted to go on and present them.

I do not say that by way of criticism. I merely say it by way of fact, as I have observed, and with which all of you are acquainted.

I have given considerable study and as careful preparation as I am capable of to preparing those matters of facts on which your judgment ought to rest according as the subject appears to me. So much of it is embraced in figures that it was impossible to undertake to prepare more memoranda without preparing the figures that involve and have involved the investigation and compilation from a great number of documents and reports, which made it necessary to prepare it in typewritten form, and while doing that some remarks in explanation or by way of argument, it may be said, have been injected, along with the facts really shown by the figures, and I would ask the permission of the committee—and I believe it will conserve you time and be of much more advantage to the committee in ascertaining the facts—if you will permit me to present that document and the statistics and figures which I have prepared in the ordinary form that I have undertaken to prepare them, and I am willing to answer any questions that I can, and probably as to a great many questions you will ask the answers will be contained in 95 per cent of the cases in what you will hear—if you will be patient enough to permit me to proceed in the orderly way in which I have prepared this document.

I am not here, I will say, furthermore, for the purpose of undertaking to convince the judgment of the members of this committee politically or otherwise, except in so far as the facts I relate and the reasons and inferences I may draw from those facts happen to amount to an argument that satisfies your judgment. On mere opinion not even the facts would be worth much to you, or if my argument is good, my politics and my political reasons, or the effect it might have on politics, are entirely immaterial, as argument is either

good or bad according to its intrinsic worth and according to the premise on which it is based. The difficulty that may be found may be in trying to understand the tariff question and its effect on business or in understanding the position of the men who discuss it. They may start with the multiplication table or the Ten Commandments, and they separate.

I have not, therefore, undertaken on the political side to prepare any argument, but from the standpoint of what we think is common sense and simple justice to a great industry, and if the committee will be patient to hear it in that form I will be glad to present it to you.

The CHAIRMAN. You will proceed in your own way.

Mr. COWAN. I may say further that it takes a good deal of time and a good deal of patience to sit and listen to the amount of matter that seems to me to be important. We might have brought a large number of men here to tell you what their opinions are, and to tell you why they think it ought to be thus and so, but it would be very difficult to bring anybody here whose knowledge of this subject was comprehensive enough to have furnished you that information, as legislators for this country, that I am satisfied that you all desire. I have done the best thing I could for them, assisted by such persons as I have been able to secure to aid me.

I do not generally read from manuscript; I hate very much to do it, but feel compelled to do it in this case—in the first instance, at least. I wish the stenographer would simply take down what he hears from me, and then I will furnish him this, so that as far as figures are concerned he may correct it.

The CHAIRMAN. You will have an opportunity to correct the stenographers' notes before the print is made. The proof will be furnished you for such corrections as you desire to make.

Mr. COWAN. As I have said, I represent the American National Live Stock and Cattle Raisers' Associations of Texas. The former has its headquarters at Denver and the latter at Fort Worth, and our purpose is to show that the placing of meats on the free list would seriously injure these interests, and, in our opinion, would destroy the prosperity of the West, or at least have a strong tendency to do so.

Senator STONE. To put what on the free list?

Mr. COWAN. Meats.

Senator STONE. May I ask if you are addressing yourself to the reciprocity bill or the free list?

Mr. COWAN. The committee has under consideration the free-list bill now. I am addressing myself to the free-list bill. In so far as what I have to say applies to free cattle from Canada, naturally of course, the intelligence of anybody engaged on the subject would apply, and I have made some application to the subject myself, but inasmuch as the free-list bill covers, of course, meats from Canada, it therefore might as well cover cattle, in my opinion.

The American National Live Stock Association at its last annual convention in January resolved against the free list—and I may pause to say that that association is composed of the principal State and district and local live-stock organizations throughout the western part of the United States, and I think its standing in the interest

of the public in behalf of the measures that have been to the public interest have been sufficiently understood in Congress to give it a standing equal to any organization in the United States, and I can say the same for the Cattle Raisers' Association of Texas. I submit here a list of the associations which are members of the American National Live Stock Association, this being an association composed mainly of that association.

AMERICAN NATIONAL LIVE STOCK ASSOCIATION.

LIST OF ASSOCIATION MEMBERS.

Albany County Cattle and Horse Growers' Association. O. Wallis, secretary, Laramie, Wyo.
 Albany County Wool Growers' Association. Joe King, secretary, Laramie, Wyo.
 American Hereford Cattle Breeders' Association. R. J. Kinzer, secretary, Kansas City, Mo.
 American Short Horn Breeders' Association. John W. Groves, secretary, Union Stock Yards, Chicago, Ill.
 Arizona Cattle Growers' Association. F. W. Wilson, secretary, Phoenix, Ariz.
 Arizona Wool Growers' Association. F. W. Perkins, secretary, Flagstaff, Ariz.
 Bent County Cattle Growers' Association. M. H. Murray, vice president, Las Animas, Colo.
 Cattle Raisers' Association of Texas. E. B. Spiller, secretary, Fort Worth, Tex.
 Cattle Sanitary Board of New Mexico. W. J. Linwood, secretary, Albuquerque, N. Mex.
 Colorado Live Stock Association. John Grattan, secretary, Railway Exchange Building, Denver, Colo.
 Colorado Stock Growers' Association. F. P. Johnson, secretary, Denver, Colo.
 Converse County Cattle Association. Secretary, Douglas, Wyo.
 Corn Belt Meat Producers' Association. H. C. Wallace, secretary, Des Moines, Iowa.
 Delta County Live Stock Association. George C. Wilson, secretary, Delta, Colo.
 Gunnison County Stock Growers' Association. R. H. Andrews, secretary, Gunnison, Colo.
 Kansas State Live Stock Association. J. H. Mercer, secretary, Topeka, Kans.
 Kern County Cattle Growers' Association. F. G. Munger, secretary, Bakersfield, Cal.
 Kern County Wool Growers' Association. L. B. Olcese, secretary, Bakersfield, Cal.
 Laramie County Cattle and Horse Growers' Association of Wyoming. J. C. Underwood, secretary, Underwood, Wyo.
 Las Animas County Cattle Growers' Association. Thomas Richmond, secretary, Trinidad, Colo.
 Live Stock Sanitary Board of Arizona. J. D. Carter, secretary, Phoenix, Ariz.
 Montana Stock Growers' Association. D. W. Raymond, secretary, Helena, Mont.
 Nebraska Stock Growers' Association. Charles C. Jameson, secretary, Ellsworth, Nebr.
 New Mexico Cattle and Horse Growers' Association. George H. Webster, jr., president, Cimarron, N. Mex.
 North Park Cattle Growers' Association. T. John Payne, secretary, Walden, Colo.
 Northwest Live Stock Association. S. B. Nelson, secretary, 225 Indiana Avenue, Spokane, Wash.
 Park County Cattle Growers' Association. J. E. Harrington, secretary, Hartsel, Colo.
 Pikes Peak Cattle and Horse Growers' Association. Raymond S. Husted, secretary, Cripple Creek, Colo.

Plateau Valley Cattle Association. Willis Hodgson, secretary, Collbran, Colo.

Panhandle Stockmen's Association. J. H. Avery, secretary, Amarillo, Tex.

Snake River Cattle Growers' Association of Colorado. W. G. Reader, secretary, Dixon, Wyo.

Southeastern Utah Live Stock Association. C. A. Robertson, secretary, Moab, Utah.

Southern Utah and Northern Arizona Cattlemen's Union. Wm. G. Seegmiller, secretary, Kanab, Kane County, Utah.

Virgin River Stockmen's Association. F. M. Stewart, secretary, Buffalo Gap, S. Dak.

White River Cattle Association. James Riland, secretary, Meeker, Colo.

Wyoming Stock Growers' Association. Miss Alice Smith, secretary, Cheyenne, Wyo.

Senator HEYBURN. Please give the names of the officers.

Mr. COWAN. The officers of the American National Live Stock Association are: Murdo Mackenzie, of Trinidad, Colo., president; Dwight B. Heard, Phoenix, Ariz., first vice president; Joseph M. Carey, Cheyenne, Wyo., second vice president; S. B. Burnett, of Fort Worth, second vice president; John W. Springer, of Colorado, treasurer; S. H. Cowan, of Fort Worth, attorney; T. W. Tomlinson, of Denver, Colo., secretary. I submit in this connection the protest against the Canadian treaty made by the American National Live Stock Association and submitted to every Member of Congress. It contains the resolution on the subject of the free list proposition, and of the Canadian treaty, and free hides; in substance the same as the resolution of the Texas Cattle Raisers' Associations—that is to say, they all drive at the same point although the language is somewhat different.

Attached to the heading of this is the executive committee of the American National Live Stock Association, which shows the leading stockmen in every part of the country.

At this point I desire to say, for the Cattle Raisers' Association of Texas, that it has been organized now for 33 years, and comprises the principal cattle raisers in all of the Southwestern States, and is not a Texas organization except in name and the fact that it has offices there. It has a number of members doing business in Canada and in every State east of the Rocky Mountains, from Texas to the Canadian line. Some members of the association, extensively engaged in the business, reside at the various large markets, where they are also engaged in the commission business and otherwise, and it has for years spoken for the cattle-producing interests. I do not think any organization in the country stands higher in point of public spirit than it has always exhibited in Texas, with respect to legislation and otherwise, and at all times it has been entirely nonpartisan. It has been my pleasure and good fortune to represent it, and I am very proud of the opportunity of doing so. The resolution, with respect to the position of the stockmen with regard to the subject of the tariff, I think I ought to read.

The Cattle Raisers' Association of Texas, at its last annual convention, held at San Antonio, Tex., after careful consideration, adopted a resolution on this subject, and I wish to read the resolution and will furnish a copy to the stenographer. It is as follows:

Whereas live stock and its products and all farm and ranch products ought, in justice, to receive the same measure of protection as is accorded to the

products of other industries of the United States in the form of import duties, whether levied as a protective tariff or as a tariff for revenue, or on any other basis; and

Whereas we believe it to be to the interest of the public and the sentiment of the live-stock producing interests and of the farmers of the United States that live stock and its products and the products of the farm and ranch should receive an equal and equitable share in whatever benefit may flow from any system of import duties with other products and industries; and

Whereas it is proposed by the recently negotiated treaty between the United States and Canada to place live stock and farm products upon the free list, while retaining import duties upon manufactured products and articles, which treaty in its present form we believe to be inimical and in no sense beneficial to the best interests of the United States, and especially injurious to the live-stock and farming industries: Now, therefore,

Be it resolved by the Cattle Raisers' Association of Texas in annual convention assembled at San Antonio, Tex., March 21, 1911:

(1) That we favor the principle of reciprocity; but in doing so we demand a fair and just import duty upon live stock and its products and upon all products of the farm and ranch, and are unalterably opposed to placing the same upon the free list.

(2) That we condemn as unjust, unfair, and discriminatory the action of the Congress of the United States in the Payne-Aldrich bill in placing hides upon the free list, while retaining a duty on leather and products thereof, and demand that they be restored to the dutiable list.

That we are opposed to the enactment of the McCall bill, whereby the Canadian reciprocity treaty would become effective, because it is unjust and discriminatory as against the live-stock and farming interests of the United States.

Be it further resolved, That a copy of this resolution be sent to the President of the United States and a copy to each Senator and Congressman of the United States.

You may suppose we are open to the charge that we are trying to prevent a proper reform or revision of the tariff. We indorsed the tariff commission; we constantly advocate it, if we can get one of the right sort. I say "the tariff commission." We indorsed a tariff commission, and I will read that resolution passed by the American National Live Stock Association:

Whereas we believe that the tariff law recetly enacted, known as the Payne bill, unfairly distributes the advantages and impositions of the protective-tariff system; that the inequalities of its various schedules result in grants of favor and exemptions designed to create monopolies in certain branches of large manufacturing interests, enabling them to control prices on many necessary articles to the consequent great detriment of the producing and consuming classes, who are least able to bear such discriminations; that in the light of past experience in the revision of the tariff it is plain that a just and equitable tariff can only be secured through the medium of a permanent nonpartisan tariff commission, instructed to ascertain and publish, in great detail, all the facts surrounding every schedule and submit its recommendation to Congress: Now, therefore, be it

"Resolved by the American National Live Stock Association, at Fort Worth, Tex., January 12, 1911, That we express our disapproval of the new tariff law, because of its unfair discriminations in favor of eastern manufacturing interests and against the producers and consumers of both East and West; and be it further

"Resolved, That we recommend the creation by act of Congress of a permanent nonpartisan tariff commission and a further revision of the present tariff at the earliest practicable time along equitable and scientific lines."

I read that for the purpose of showing you that this association is not considering it as a partisan proposition. It is endeavoring to try to present to Congress what ought to be done for the benefit of a great industry, doing it impartially, in the hope that partisanship

will not influence the judgment of any man who feels that, in justice, he should act this way or that.

I submit herewith an estimate of the Agricultural Department for the year 1910, showing the number of cattle, other than milch cows, by various States. I do this for the reason that a great many persons suppose that no other place is interested in producing cattle except Texas, Kansas, Colorado, Montana, and States west of the Mississippi River, and you may be surprised to find that West Virginia produces good export cattle; fine cattle are produced in Tennessee, so there are in Pennsylvania and New York. The cattle-raising business is co-extensive with proper agriculture throughout the United States.

It is as follows:

Number of cattle other than milch cows in United States Jan. 1, 1910, and Jan. 1, 1903, estimated by Department of Agriculture.

State, Territory, or division.	Number.	
	Jan. 1, 1910.	Jan. 1, 1903.
Maine.....	139,000	123,677
New Hampshire.....	93,000	101,188
Vermont.....	210,000	225,893
Massachusetts.....	88,000	93,400
Rhode Island.....	10,000	10,876
Connecticut.....	81,000	88,377
New York.....	889,000	955,408
New Jersey.....	82,000	82,890
Pennsylvania.....	917,000	823,143
Delaware.....	22,000	21,606
Maryland.....	138,000	133,992
Virginia.....	578,000	449,679
West Virginia.....	511,000	359,593
North Carolina.....	449,000	307,772
South Carolina.....	227,000	171,459
Georgia.....	673,000	623,033
Florida.....	712,000	544,298
Ohio.....	978,000	1,190,024
Indiana.....	1,020,000	913,860
Illinois.....	1,974,000	1,700,716
Michigan.....	963,000	736,441
Wisconsin.....	1,081,000	1,148,698
Minnesota.....	1,228,000	1,002,668
Iowa.....	3,611,000	3,574,012
Missouri.....	2,165,000	1,405,081
North Dakota.....	616,000	570,956
South Dakota.....	1,341,000	1,456,291
Nebraska.....	3,040,000	2,403,999
Kansas.....	3,260,000	2,741,256
Kentucky.....	665,000	508,918
Tennessee.....	565,000	442,405
Alabama.....	528,000	544,298
Mississippi.....	577,000	436,219
Louisiana.....	480,000	421,818
Texas.....	7,131,000	8,007,910
Oklahoma ¹	1,637,000	2,500,019
Arkansas.....	600,000	455,305
Montana.....	842,000	1,048,559
Wyoming.....	959,000	796,060
Colorado.....	1,425,000	1,286,300
New Mexico.....	901,000	872,471
Arizona.....	626,000	551,328
Utah.....	327,000	254,326
Nevada.....	404,000	364,165
Idaho.....	340,000	362,089
Washington.....	358,000	309,800
Oregon.....	698,000	570,044
California.....	1,120,000	1,111,767
United States.....	47,279,000	44,659,206

¹ Includes Indian Territory.

As you will notice, the total shows, exclusive of milch cows, 47,279,000 head on the 1st of January, 1910. That is an estimate. Estimated on the same basis, going back, of course, to the census figures of 1900, on January 1, 1903, the number was 44,659,206; showing an estimated increase of cattle, other than milch cows, of about 3,000,000 head during that seven years. Of course, we do not know what it actually is, because the census returns have been so slow in being made up, and we are not promised to get it yet for some considerable time, but the aggregate is shown so that we may gather the intelligence which we ought to possess when we act on a great question.

If we add to the Trans-Mississippi States the corn-belt States of Illinois, Indiana, and Ohio, we will find that those figures show that 78 per cent of the entire beef-cattle production lies west of the Mississippi River and in the States mentioned, and the balance lie in the other parts of the United States, or 22 per cent, exclusive of Ohio, Indiana, and Illinois, is east of the Mississippi River.

The importance of the live-stock industry of the United States ought to be known to everyone, but the extent of it is doubtedly not appreciated by those who have not had cause to examine into it. Its interrelation to the strictly farming business of the country of producing grain, hay, and foodstuff is so important that the department of farming could not survive without live stock as the method of consumption and marketing farm products and as a method of refertilizing the soil.

Even the cottonseed business is dependent upon the demand for cottonseed products to feed live stock, the price for which cotton seed sells depending in a large measure upon such demand, as no other use can be made of the hulls except to feed to live stock, and, the evidence showed, in a case which I tried involving railroad rate from Oklahoma on cotton seed, that one-half of the product of the Oklahoma cottonseed mills was fed at the mills and never shipped out at all, and my recollection is that about two-thirds of the entire product was fed in the State of Oklahoma, right in their pastures, so that the man who produces cotton and is receiving a very high price, and has been for two or three years, for cotton seed, must account for it by the fact that we have had a good price for feed cattle, and you could afford to feed cattle on cotton seed at \$25 and \$30 a ton, and the cotton seed itself sells for about the same the meal does. Taking the present price of cattle, cotton seed can not be fed profitably at over \$18 to \$20 a ton. Now, how far the export market would affect all the cottonseed products at a higher price I am not prepared to say, but I do know that the cotton raiser is materially and substantially interested as to the price he gets for cotton seed, in the use that is made of the product, and the price of the animals to which it is fed.

The Department of Agriculture has caused to be prepared for the years 1905, 1906, and 1907 and published a pamphlet under the title of "Meat Supply and Surplus, with Consideration to Consumption and Exports," and the issue for 1907 is Bulletin 55, by George K. Holmes, the Chief of the Division of Foreign Markets, which I wish to submit. I read from the statement which appears on pages 2, 3, and 4, as follows:

Value of domestic meat animals in contiguous United States.

[Including calves and lambs under 1 year.]

Items.	Total.	Cattle.		
		Total.	Dairy cows.	Other cattle.
CENSUS.				
1900, June 1:				
On farms and ranges	\$1,880,651,132	\$1,475,204,633	\$508,616,501	\$966,588,132
Off farms and ranges	48,627,220	41,102,637	28,879,619	12,223,018
Total	1,929,278,352	1,516,307,270	537,496,120	978,811,150
DEPARTMENT OF AGRICULTURE.				
1907, January 1: On farms and ranges	2,152,320,349	1,527,054,000	645,497,000	881,557,000

Items.	Sheep.	Swine.	Goats.
CENSUS.			
1900, June 1:			
On farms and ranges	\$170,203,119	\$231,978,031	\$3,265,349
Off farms and ranges	678,624	6,708,841	137,118
Total	170,881,743	238,686,872	3,402,467
DEPARTMENT OF AGRICULTURE.			
1907, January 1: On farms and ranges	204,210,000	417,791,000	1 3,265,349

¹ Assumed to be the same as in the census year.**OTHER ITEMS OF CAPITAL.**

Not only are the prices of meat animals directly affected by the marketing of the national surplus of meat, but likewise the value of the farms and ranges on which they are raised. While nearly all farms maintain at least one meat animal, the farms and ranges devoted especially to the production of live stock are the ones more directly affected.

The value of live-stock farms and ranges was estimated by the Bureau of Statistics of the Department of Agriculture in 1905 to be \$7,951,000,000, by adding to the census valuation the increase of the succeeding five years. Some horse and mule farms are unavoidably included.

To the value of meat animals and of live-stock farms and ranges should be added the value of implements and machinery on such farms and ranges, or \$235,500,000.

Then there is a large amount of capital invested in wholesale slaughtering, meat packing, lard refining, and oleomargarin establishments which was determined by the Bureau of the Census to be \$238,000,000 in 1904.

The sum of the foregoing items of capital directly affected by the export of the national surplus of meat is \$10,625,000,000 and this capital is directly dependent upon such disposal for its profitable use and, indeed, for the integrity of the investment.

In addition to the capital concerned there are annual productions that should be noted. Upon the basis of census values the farm value of the cattle, sheep, and swine slaughtered and exported alive in 1900 was \$649,417,340. This is a computed value and may be above or below the fact for 1900; but whatever the true value was for that year, it was much larger for 1906, with its high values and large exports as well as perhaps increased home consumption.

The great annual corn crop of the country, having a value of \$1,167,000,000 in 1906, is very largely converted into meat, fats, and oils, and a large fraction of this crop is exported in the form of the commodities mentioned.

Capital directly affected by exports of surplus meat.

Items.	Value.
Value of domestic meat animals on farms and ranges, January 1, 1907.....	\$2,152,320,349
Value of domestic meat animals not on farms and ranges, June 1, 1900.....	48,627,220
Value of live-stock farms and ranges, 1905, autumn.....	7,950,919,310
Value of implements and machinery on live-stock farms and ranges, June 1, 1900.....	235,477,714
Capital of wholesale slaughtering, meat packing, lard refining, and oleomargarine establishments, 1904.....	237,714,690
Total.....	10,625,059,283

COMPARISON WITH OTHER INVESTMENTS.

Better to understand the magnitude of the interests involved in the maintenance of meat exports comparisons may be made with other aggregates of capital and classes of wealth. The capital directly related to meat production for export, \$10,625,000,000, is five-sixths as large as all capital invested in manufacturing in 1904. It is barely under the figures representing the capitalization of the net earnings of steam railroads, estimated by the Bureau of the Census, June 1, 1904; it is a little greater than the estimated true value of all property situated in the South Central division of States in 1904, as also of all property situated in the Rocky Mountain and Pacific regions. It is more than \$1,000,000,000 above the value of the real estate and of the implements and machinery of farms devoted chiefly to producing cotton, hay, and grain; or the estimated true value of all property situated in New England in 1904; or the estimated true value of the entire real estate of the South in 1904. It is nearly twice the value of the real estate and of the implements and machinery of farms devoted chiefly to producing cotton, fruit, rice, sugar, tobacco, vegetables, and to general farming; or more than twice the estimated true value of street railways, shipping, waterworks, telegraph and telephone systems, electric light and power stations, Pullman and private cars, and canals in 1904.

TABLE 3.—*Meat capital compared with other capital and classes of wealth.*

Items.	Value.
Capital directly related to meat production for export.....	\$10,625,059,283
Capital invested in manufacturing, 1904.....	12,686,265,673
Capitalization of net earnings of steam railroads, June 1, 1904.....	11,244,752,000
Value of real estate (1905, autumn) and of implements and machinery (1900) of farms devoted chiefly to producing cotton, hay, and grain.....	9,074,168,745
Value of real estate (1905, autumn) and of implements and machinery (1900) of farms devoted chiefly to producing cotton, fruit, rice, sugar, tobacco, vegetables, and to general farming (including small specialties).....	5,792,314,927
Estimated true value of street railways, shipping, waterworks, telegraph and telephone systems, electric light and power stations, Pullman and private cars, and canals (1904).....	4,840,546,909
Estimated true value of entire real estate of South Atlantic and South Central divisions, 1904.....	9,505,995,304
Estimated true value of all property situated in New England, 1904.....	8,823,325,592
Estimated true value of all property situated in the South Central division, 1904.....	10,052,467,528
Estimated true value of all property situated in the Western division (Rocky Mountain and Pacific regions), 1904.....	9,992,581,271

Mr. COWAN. I am not bragging about this industry, or the importance of it, but I am presenting to this committee a fact which certainly should stand all the legislatures in mind, not to act in uncertain manner, that a great industry may be materially and seriously crippled upon the theory that if you hurt it you can take it back.

Reviewing the exports of 1906, which amounted to 12 per cent of the entire live stock and its products, the value of the exports is thus stated at page 7:

The value of the exports of meat animals and packing-house products (including nonedible products) increased from \$161,000,000 in 1890 to \$252,000,000 in 1906; the live meat animals from \$32,000,000 in 1890 to \$44,000,000 in 1906;

and the packing-house products from \$129,000,000 in 1890 to \$208,000,000 in 1906.

The number of exported cattle rose to nearly 600,000 annually from 1904 to 1906; the number of exported sheep reached its highest figure in 1896 with 492,000,000, after which the annual number has fluctuated much, but, on the whole, has declined.

Senator SIMMONS. I do not think I understood you as to the value of our exports of live stock and products. What was the total amount?

Mr. COWAN. The aggregate?

Senator SIMMONS. Yes.

Mr. COWAN. The list I read separates it into different items. The first figures which I read stated that upon the basis of census values, the farm value of cattle, sheep, and swine slaughtered and exported alive in 1900 was \$649,417,340.

Senator SIMMONS. That answers my question.

Mr. COWAN. Now, under the heading "England our only customer for cattle and fresh beef, and Argentina and Canada our only competitors," I have prepared some data which I think will demonstrate the truth of the headline, and tend strongly to show that having our surplus dammed up, we can not afford to invite further imports into this country, because we do not need it.

Referring to pages 9 and 11 of the pamphlet, the exports of animals and animal products is shown in detail, and it there appears that there were exported in 1904, 593,409 head of cattle, valued at \$42,256,291; and in 1906, 584,239 head of cattle, valued at \$42,081,170. In 1907 our exports had fallen off more than 150,000 head, leaving our total export for that year of 423,050 head, valued at \$34,577,392.

It is shown that for the year 1906 the United Kingdom took 405,277 head, valued at \$37,729,300. Of the remainder the principal number went to Cuba—130,639 head—but it was for the purpose of restocking the country, and we have never shipped to Cuba any such number at any other time. There were scattering exports to other countries; for example, 15,633 head to Canada and 9,516 to Belgium, but none to any other country of Europe.

The total exports of packing-house products amounted to about \$207,873,774, including fresh beef of 268,054,227 pounds, valued at \$24,310,038, equal probably to 500,000 head of cattle if converted into cattle—or, rather, that many cattle converted into those products made this exportation—of which the United Kingdom took 265,444,554 pounds, valued at \$24,000,000 and odd.

Our exports of fresh beef to the United Kingdom for the year 1910 were 76,795,235 pounds, equal probably to 150,000 cattle, which is less than one-third of the amount of fresh beef exported to England in 1906.

Now, that the committee may know what I am proceeding to do; it is to demonstrate that Argentina has taken our trade, because they produce the cattle so much cheaper that we can not compete with them; that Canada does compete with them and has maintained its exports to England, and if you invite Argentina into this market it will wreck the cattle-raising business of this country, and every well-informed cattleman in the United States knows this, and these Senators ought to know what every well-informed cattleman knows in his own community.

For the nine months ending March 11 our cattle exports to the United Kingdom were 80,000 head, against 143,000 for the same period of 1909 and 118,000 in 1910, and our fresh-beef exports to the United Kingdom in 1911 for the same period were 27,124,000 pounds, against 58,601,339 pounds for 1910 and 93,893,434 for 1909 for the same nine months.

In other words, we have gone out of the business. Now, there must be a cause for it. That is what we are supposed to possess our intelligence for, to trace the effect back to a cause. We are not only to do it by indirection, but a process of exclusion by finding what produced it, by investigating to see if anything else could have done it.

Canned-beef exports likewise decreased; our exports to the important countries of the world fell off 33 per cent in 1910 for the same nine months. Our tallow and oleo oil fell off enormously, as compared to the previous years. There was a falling off of 18 per cent in exported bacon and hams in 1910 and of 40 per cent under 1909 for the same period. In other words, the farms of this country are producing products that the balance of the world is to take. Somebody is getting the trade, and yet it is proposed—and it seems to me a challenge to the intelligence of the people engaged in the business at least to propose to them, under such conditions—to invite Argentina and Canada to place their products in here in competition with ours in order to take our home trade when we have a surplus that we can not sell.

Now, under the head line "Argentina has taken our trade in British beef," I refer to these facts: In the calendar year 1909 the official statistics show that there was imported into the United Kingdom from the United States 93,037,168 pounds of chilled beef—which is the name given to our refrigerated beef and the refrigerated beef there, that is, in London—valued at \$9,395,468, which is equivalent to 9.94 cents per pound. That same year the imports into the United Kingdom from Argentina of chilled beef amounted to 204,570,544 pounds, valued there at \$16,307,158, or 8 cents a pound laid down in London, and of frozen beef 266,732,816 pounds, valued there at \$16,458,000, or 6.17 cents per pound laid down in London.

The total of the fresh beef, both chilled and frozen, from Argentina was 420,815,500 pounds. These figures are furnished by the Bureau of Statistics of the Department of Commerce and Labor and are taken from the official reports supplied by some department of the British Government, the name of which I do not know and do not now remember. I do not seem to have a reference to it.

Senator STONE. Will you explain what the difference is between chilled beef and frozen beef?

Mr. COWAN. Chilled beef is shipped under refrigeration just as we ship it in this country. We handle no frozen beef in this country. Frozen beef is not hung up on hooks. It is not long under refrigeration. It is frozen stiff, and they can pile it up while it is hard in a great deal less space in a steamer, and it is a good deal easier to handle, so a number of these reports say. Before I get through I will refer you to the data.

Senator STONE. Then the refrigerated beef would be hung up in a refrigerator, and frozen beef is piled up in a refrigerator?

Mr. COWAN. Oh, yes; it has got to be hung up in a refrigerator and, furthermore, it has got to be under a lower temperature somewhat than refrigerated beef.

Senator WILLIAMS. What accounts for the difference in the price of the American meat in London and the Argentina meat? Is it of a superior quality to the American meat?

Mr. COWAN. The small amount that we ship there in competition with the Argentina beef is our corn-beef, which they do not produce in Argentina. There would be a difference in the price, therefore, which we would be able to obtain, probably lower, so long as they do not produce corn-fed beef, and a small quantity of the superior beef, to the people, who have the money to pay for that sort. But our exports will undoubtedly go down to a very low margin, as they are now pretty nearly gone, because of the continued increase in the quality of the beef from Argentina. They breed the best cattle in the world to-day and are paying higher prices for bulls at the present time.

Thus it will be observed that chilled beef there was 1.94 less per pound than in the United States, and frozen beef was laid down at 3.77 less per pound than American chilled beef.

The following are the prices at which cattle are sold at Buenos Aires—I do not know how to pronounce that—it sounds like B-u-e-n-o-s in Mexican.

Senator HEYBURN. It means "good air."

Mr. COWAN. Yes; sold to Argentina in 1906 by the head, from figures published by the Agricultural Department. These figures were taken from the publication of some newspaper in some report from Buenos Aires, where these sales were mainly made. In 1906 the low price—and it seems that they are by the head there, and not by the pound—was \$25.48—they varied in price—and high, \$37.97. In 1910 the low price was \$23.35 and the high price \$31.84.

Senator WILLIAMS. How do those figures compare with the prices of grass-fed cattle in Chicago?

Mr. COWAN. I am coming to that. Compare this with the average value of steers on the Chicago market for the same periods and it will show the following result: In 1906 range cattle averaged \$4.40 per hundred pounds and native cattle \$5.30 per hundred pounds, and we have for 1910, range cattle average \$5.40 per hundred pounds and native cattle \$6.80 per hundred pounds. That is on the Chicago market, and I am using that because the Chicago market sets the pace and practically fixes the value of live stock and live-stock products to-day in the other markets, except, of course, there are various happenings that may make it a little higher here and there for some particular cause. But everybody who knows anything about the business treats Chicago as the place at which the market is most certainly made, and the relative prices are most certainly stated by their quotations than elsewhere.

Senator WILLIAMS. Are those the prices of grass-fed cattle or other cattle?

Mr. COWAN. I gave the range cattle, and then I gave the native. Now, natives take the corn fed. Range cattle are for the grazers, but they may be half-fed cattle then, and the range-fed cattle may be half fed—partly fed; those that are not full-fed cattle. A thousand

pounds range steer was therefore worth in 1906 in Chicago \$44, about that, compared to \$25.48 at Buenos Aires. In 1910 it would have been worth \$54 compared to \$23.75 at Buenos Aires. Native steers, 1,000 pounds, were worth in 1906 \$53 in Chicago and in 1910 \$68; those weighing 1,200 pounds in 1906 \$63.60 and for 1910 \$81.68 in Chicago.

Now, those gentlemen of the committee who are familiar with the cattle business know that those are about the prices paid here. The question is, Does Argentina sell good cattle at the prices I have named? If so, it is an important fact, and the best information we can get is that they do.

Now, the quality of these cattle is up to the standard of cattle produced in the United States and marketed at our large markets and elsewhere, with the single exception of our best corn-fed cattle.

I now submit a pamphlet entitled "Notes of the Animal Industry of Argentina," by George M. Rommel, animal husbandman, Bureau of Animal Industry, published in 1908, and I will read from the same. I am afraid that I will tire the patience of this committee. I am trying to reach a point where I can get at it and do not have to guess. I probably will not read very much of this, because this pamphlet is issued by the Agricultural Department through the Bureau of Animal Industry and I am sure that it can be obtained by every member of the committee. As I say, it is entitled "Notes on the Animal Industry of Argentina," George M. Rommel. It does not seem to have a bulletin number.

Senator STONE. What is the date of it?

Mr. COWAN. 1908.

Senator HEBURN. It has a number also, has it not?

Mr. COWAN. No, sir; I do not find a number. It does not seem to have any. I read as follows:

An appointment as one of the delegates of the United States to the first Pan American Scientific Congress, held at Santiago, Chile, December 25, 1908, to January 5, 1909, gave the writer an opportunity to spend a few weeks in Argentina, to see something of the animal industry in the country, and to become acquainted with a few of the leading breeders. On account of the immensity of the country and the great distances to be traveled, a complete stranger can no more gain a really comprehensive idea of the live-stock business in the Argentine Republic in six weeks than he could of that of the United States in the same time. Argentina is not so large in area as the United States, but travel by rail is not nearly so rapid, etc.

Everyone knows in a more or less hazy fashion that Argentina is a great factor in the meat trade of Great Britain; few persons realize, however, the tremendous growth of the industry, and especially the increase in the shipments of refrigerated (chilled) beef to England from the River Plate ports, all of which, the writer believes, comes from Argentina. This business is the result of only eight years' growth. Prior to 1901 all meat exported was frozen, and the real development of the frozen-beef trade began only a year or two before. In the year mentioned 24,919 quarters of chilled beef went from the River Plate to England; the next year, 94,498 quarters; in 1903, 142,542 quarters; in 1904, 198,300 quarters; in 1905, 402,195 quarters, the amount not subsequently exceeding 500,000 quarters until 1908, when 767,284 quarters were exported.

Of course, it is much more expensive to ship chilled beef than to ship it frozen, but a difference of 2 cents a pound or more in the price makes chilling worth while. The exports of chilled beef are not replacing those of frozen beef, however, as the latter have increased more than three times during the same period. The exports of frozen beef for the eight years in question were as follows: 1901, 440,864; 1902, 488,876; 1903, 565,642; 1904, 789,100; 1905, 1,168,133; 1906, 1,314,703; 1907, 1,321,110; and 1908, 1,533,357 quarters.

They have got the trade; they have produced the cattle; they have done it in comparatively few years, and we must assume that it is progressing with the same degree of rapidity that it has been heretofore.

The live-stock census gives it at 29,000,000 head of cattle. The breeding farms are described and there are pictures of the cattle which they produce, and the sheep also are given. Shorthorns are the main breed. Fearing I shall take too much time, I shall ask the committee to examine this pamphlet. The meat-packing business is referred to on page 329.

Senator LA FOLLETTE. How many pages are there of that pamphlet?

Mr. COWAN. I will have to estimate it.

Senator LA FOLLETTE. Is it all pertinent?

Mr. COWAN. Every bit of it is. I am offering the entire pamphlet, but I am only undertaking to quote out a few features of it. It proceeds:

The slaughtering business at the River Plata is naturally very extensive, for without the export meat trade the cattle business of Argentina could not exist and the sheep business would be dependent wholly on the wool trade. In contrast with our own system, the abattoirs in Buenos Aires are more or less scattered, although all of them are on the Riachuelo, a small navigable stream tributary to the River Plata, which bears much the same relation to Buenos Aires that the Chicago River does to the city of Chicago, and the two streams look very much alike.

None of the plants begin to approach the great Chicago or Kansas City establishments in size or number of slaughterings. A plant with a daily capacity of 500 cattle and 3,000 sheep is a large one. Owing to the small capacity, there is not the same demand for labor-saving devices. Very little mechanical traction is used in moving carcasses from the killing floor to the freezing rooms, etc.

The external appearance and surroundings of the plants are usually rendered as attractive as possible, the buildings being painted white and flowers planted in the open spaces near them.

The general system of killing is similar to that in the United States. It tells you how that is done and shows how the chilling rooms are kept—20° to 29°.

Senator HEYBURN. State that number of degrees again—the shipping temperature.

Mr. COWAN (reading):

The chilling rooms keep at from 20° to 30° F. and the freezing rooms from 17° to 18° F.

Carcasses may be put into the freezing rooms at once or cooled gradually. They sometimes remain as long as two weeks in the freezing rooms before being put on board the steamer. The temperature in the freezing chambers on board ship is kept at about 18° F. Frozen beef is economically stored on ship, being piled in tiers from the bottom to the top of the hold. Chilled beef must be hung on hooks.

Senator STONE. Does that document or pamphlet give the total slaughtering and the chilling capacity of all the packing houses in Argentina at the date of its being written?

Mr. COWAN. I do not think it gives the capacity of all, but it gives the export output. I have read that, in quarters, already.

Senator HEYBURN. Have you stated there or does that pamphlet show the chilling temperature for the shipments of meat?

Mr. COWAN. I think it does. But that is easily found to be the same as they use—

Senator HEYBURN. I would like to have it in connection with the freezing temperature.

Mr. COWAN. Well, I am sure that it states it.

Senator HEYBURN. I do not remember to have heard you include the chilling temperature as distinguished from the freezing.

Mr. COWAN. It states that the chilling rooms are kept at from 29° to 30°, and I know as a fact that that is the proper way to keep meat that is being shipped in refrigerators—to keep the meat down very close to the freezing point.

Senator HEYBURN. That is prior to the shipment?

Mr. COWAN. I think that is the case with the vessels also. I will leave this pamphlet, with the suggestion that the committee examine it, and I will pass it over so that you may look at the pictures of the class of cattle they buy and the bulls they are using.

Senator McCUMBER. Will you not mark such parts as you think ought to be printed and hand it to the stenographer?

Mr. COWAN. I think that the whole pamphlet ought to go in.

Senator HEYBURN. We can not possibly reproduce the many pictures that it contains.

(The pamphlet, entitled "Notes on the Animal Industry of Argentina," is as follows:)

NOTES ON THE ANIMAL INDUSTRY OF ARGENTINA.

[From the Twenty-fifth Annual Report of the Bureau of Animal Industry, 1908.]

By GEORGE M. ROMMEL,

Animal Husbandman, Bureau of Animal Industry.

INTRODUCTORY.

An appointment as one of the delegates of the United States to the First Pan-American Scientific Congress, held at Santiago, Chile, December 25, 1908, to January 5, 1909, gave the writer an opportunity to spend a few weeks in Argentina, to see something of the animal industry of the country, and to become acquainted with a few of the leading breeders. On account of the immensity of the country and the great distances to be traveled a complete stranger can no more gain a really comprehensive idea of the live-stock business in the Argentine Republic in six weeks than he could of that of the United States in the same time. Argentina is not so large in area as the United States, but travel by rail is not nearly so rapid, nor is the country so well provided with rail communications. When one considers that Argentina has an area of over 1,000,000 square miles, on which there is a population of probably not more than 6,000,000 persons, over 1,000,000 of whom live in the capital city, one can appreciate somewhat how little the interior of the country has been developed.

Buenos Aires may be reached in about 25 days from New York direct, or in 28 or 30 days via Southampton or Cherbourg. If the traveler is pressed for time, he will find the direct route available twice a month; if comfort en route is a consideration, the journey via Europe is preferable and weekly sailings are available. There is no great difference in cost between the two routes, the direct one being somewhat cheaper unless the exclusive use of a stateroom is engaged. The writer sailed from New York on October 7, 1908, going via England and arriving at Buenos Aires on November 7, exactly one month from the day of sailing.

THE MEAT TRADE OF ARGENTINA WITH ENGLAND.

Everyone knows in a more or less hazy fashion that Argentina is a great factor in the meat trade of Great Britain; few persons realize, however, the tremendous growth of the industry and especially the increase in the shipments of refrigerated (chilled) beef to England from the River Plata ports, all of which, the writer believes, comes from Argentina. This business is the result of only eight years' growth. Prior to 1901 all the beef exported was frozen, and

the real development of the frozen-beef trade began only a year or two before. In the year mentioned 24,919 quarters of chilled beef went from the River Plata to England; the next year, 94,498 quarters; in 1903, 142,542 quarters; in 1904, 198,300 quarters; in 1905, 402,195 quarters, the amount not subsequently exceeding 500,000 quarters until 1908, when 767,284 quarters were exported.¹

Of course it is much more expensive to ship chilled beef than to ship it frozen, but a difference of 2 cents a pound or more in the price makes chilling worth while. The exports of chilled beef are not replacing those of frozen beef, however, as the latter have increased more than three times during the same period. The exports of frozen beef for the eight years in question were as follows:

Years.	Quarters.	Years.	Quarters
1901.....	440,864	1905.....	1,168,138
1902.....	488,876	1906.....	1,314,708
1903.....	568,642	1907.....	1,321,110
1904.....	789,109	1908.....	1,533,887

During this time the trade with New Zealand and Australia has fluctuated in amount, with a strong tendency to decrease. The exports of frozen beef from River Plata ports to Great Britain for the year 1908 alone exceed all such exports from New Zealand and Australia for the seven years from 1902 to 1908.

Frozen beef can not compete with chilled beef, and therefore North American cattle growers have little to fear in the growth of the River Plata frozen-meat trade. Although the British quotations show that the River Plata chilled beef is inferior to chilled beef from the United States, the opinion of exporters at Buenos Aires and other slaughtering points is that the quality is improving, although the quotations may not yet show it. However, with the marked falling off in our own exports of meat and meat products, we can well find it worth while to watch the progress of the energetic young nation to the south of us, whose stock of cattle is nearly five head per capita of population. If our export meat trade is about to repeat the history of our export horse trade, and the home consumption account for practically the entire supply, our breeders will have in South America a great opportunity to market superior breeding animals. If rising prices in the United States force us to abandon our foreign meat trade to a country which is now a rival in that trade, there is no reason why that rival should not be made a friendly customer for bulls and rams.

LIVE-STOCK CENSUS OF ARGENTINA.

The live-stock census of Argentina was taken in 1908. It was the first of its kind since 1895, and is believed to be the most accurate yet taken. The methods used were modeled after those of the United States and were well thought out; the enumerations appear to have been carefully made. The following figures are taken from the preliminary report of the director, which was made in November, 1908. The values were estimated in consultation with the Argentine Rural Society and may be regarded as conservative.

Number and value of the live stock in Argentina according to 1908 census.

Species.	Number.	Value.
Cattle.....	29,116,625	938,685,834
Horses.....	7,531,376	205,839,834
Mules.....	465,037	22,561,075
Asses.....	285,088	2,854,950
Sheep.....	67,211,754	287,359,076
Goats.....	9,945,086	8,321,839
Hogs.....	1,403,591	16,672,687
Total value.....		1,481,282,245

¹ These and other figures regarding the meat trade between the River Plata and Great Britain are taken from W. Weddell & Co.'s (London) Review of the Frozen Meat Trade for 1908, Supplement No. 1.

² The Argentine paper peso (dollar) is worth 11.45 to the pound sterling, or about 43 cents United States currency. All references to money in this article are in terms of the paper peso, unless otherwise specified.

This report shows that the number of cattle in Argentina is hardly half of that of the United States, the number of horses is about one-third, and the number of sheep considerably more. Considering the small population of the country, the number of goats is remarkably large. Although a few herds of hogs are seen, some of which are of excellent quality, Argentina is not in any sense a hog-raising country, and probably never will be. At present there is only a limited demand for pork for home consumption, bacon and ham being decided luxuries. Imported pork products bring very high prices, from 50 cents to \$1 gold per pound being the usual quotations for English hams. In a country which serves the "continental breakfast" universally, where the so-called "breakfast" is a heavy meal at midday and begins with soup and ends with pastry and dessert, where ham and eggs or bacon and eggs are unknown dishes, and where the workingman lives on a diet of beef and bread, the consumption of pork products will never be large. If the hog industry ever assumes any importance in Argentina, an export trade must be built up for it and the quality of the local product greatly improved.

A careful attempt was made during the recent census to estimate the proportion of pure-bred, grade, and native animals living in May, 1908, with the following interesting results.

Species.	Pure-bred.	Grades.	Natives.
	Per cent.	Per cent.	Per cent.
Cattle.....	3.4	51.7	44.9
Horses.....	.7	22.5	76.8
Sheep.....	1.8	82.5	15.7

BREEDING FARMS.

The great stock-breeding farms of Argentina are nearly all located within a short distance of the capital, Buenos Aires, on the low, flat lands which form the Argentine section of the valley of the River Plate. The soil is alluvial, of wonderful depth and fertility, the land almost level, and the altitude very little above sea level. From the River Plate there is a small but sudden rise which carries the land above flood line, and from this rise one can look for miles away from the stream with only the horizon to break the view. Nothing in Kansas or Nebraska can compare with the pampas of Argentina for flatness. The rainfall around Buenos Aires is ample to grow wonderful grass and magnificent trees, but as one goes west toward the Andes the rainfall diminishes. As a rule, however, the water table is near the surface even in the semiarid regions.

Buenos Aires Province, especially in the eastern portion, is a vast grazing ground. Very little of the land has been broken up except near the capital and the towns. The native grasses are depended on almost entirely. It is an ideal pasture country; cattle thrive summer and winter on no feed but grass, and very little shelter is required. Except when fitting stock for show or sale, no grain is fed; but when stock is being so fitted no expense is spared to put the animals into the best condition. The competition in the show ring is exceedingly keen, and even as early as November, 1908, cattle were being fitted for the show of 1910.

Being a land of luxurious pasture, this is an ideal country for Shorthorn cattle and Lincoln sheep. The great majority of the cattle are Shorthorns; Herefords are used only on pastures that are naturally poor, or which have been overstocked. In the north, in the provinces of Corrientes and Entre Rios, Aberdeen-Angus cattle are comparatively common; they appear to thrive there as well as they do in our own Southern States. With the average ranch owner, however, Aberdeen-Angus cattle are not especially popular, although some packing-house managers have urged their use. Little corn is fed to stock and most of the steers are sold for slaughter directly off grass, just as our western cattle are marketed and the export cattle from the bluegrass pastures of southwestern Virginia and western North Carolina.

In the west the great alfalfa "camps" are one of the wonders of the country. Whole ranches are sown to alfalfa, and it is not at all uncommon to see tracts of 40,000 to 50,000 acres entirely in alfalfa. They even tell of landowners who are sowing from 65,000 to 85,000 acres in this legume. Nearly all the alfalfa is pastured by horses, cattle, and sheep, and few losses result.

The impression one gets from visiting these establishments is that of physical vastness and immense resources. With it all, however, there is an attention to business details that is surprising, and labor-saving devices are common.

SAN JUAN.

The first estancia (stock farm) visited was San Juan, located south of Buenos Aires, within an hour's ride of the city. It has been in the hands of the same family for many years, the present owner being the grandson of the original owner. The history of the estancia covers a period of more than 50 years, and during all this time Shorthorn cattle of the highest type have been bred. Within comparatively recent years Herefords have been added, and the owner is fully as proud of his Herefords as he is of his Shorthorns. Unfortunately time did not permit a careful examination of the Herefords, but the writer's impression of them, as seen in the field, was that they are animals of good quality, good size, and full fleshed, and that they would compare favorably with those bred in the United States. The Shorthorn cows on this estancia are excellent—much better, in fact, than the bulls. It is doubtful if any Shorthorn breeding farm in the United States can show a better collection of large, thick-fleshed cows of quality and finish than the San Juan estancia.

The work done at San Juan differs markedly from that carried on at many other breeding farms, in that the owners have bred for a type with greater perseverance and consistency. They have, it is true, gone to England to a great extent for their bulls, but their cows have generally been bred on the estancia. The cow Mantalini 17 was bred on the estancia, as were her dam and granddam. The dam of this cow is still living, and the illustrations¹ show three generations of a remarkable family of which any breeder in any country might well be proud. The two San Juan heifers illustrated¹ show that the Mantalini family is not an exception on this estancia, and at the time these two were photographed there were others bred there which were very nearly as good.

SAN MARTIN.

The San Martin estancia is located about one hour's ride southwest of Buenos Aires and comprises 9 square leagues of land (80,000 acres). Hackney horses and Shorthorn, Holstein, and Red Polled cattle are bred, but the most interesting feature of this estancia is the large dairy in connection with it. The dairy is known as "La Martona," and is one of the best and largest in the neighborhood of Buenos Aires. It maintains stores throughout the city where its products are sold. At the time of the writer's visit the manager stated that they were using 150,000 liters (39,600 gallons) of milk daily, two-thirds of which was produced upon the estancia. None of the cows are sheltered at any time or given any feed in addition to pasture. They are milked in corrals after the usual rather careless Argentine custom, and the milk is sent directly to the dairy. Nearly all the milk is pasteurized. This dairy makes a specialty of milk for feeding infants, sterilized milk, "dulce de leche" (milk marmalade, very much like caramel), and casein. A few pigs are fed on buttermilk. An extensive condensed-milk plant is now being put in. Sterilized milk is put up in half-liter sterilized bottles and sealed with a tin cap like that used in this country in bottling ginger ale, beer, and similar beverages.

The San Martin estancia is especially interesting as showing the evolution in management which has taken place in Argentina, especially in the vicinity of Buenos Aires, where the land has increased in value to a rather high point. This increase in the price of the land has made necessary the formulation of systems for developing all possible sources of revenue, and instead of letting the cow run the year round without any return except her calf, the possible milk yield from the cow is utilized. San Martin is a great dual-purpose cow plant, and the success of the enterprise is an indication of what might be done on some of the North American ranches if means could be obtained economically to milk the cows.

LA BELEN.

La Belen estancia is noted for its Lincoln sheep and Shorthorn cattle. It comprises about 37,000 acres of land and employs 250 men. There are 13 large barns on the place, in which the cattle and sheep are kept which are being

¹ Illustrations not printed.

especially fitted for show and sale, in addition to as many more smaller ones. The large barns cost ₡20,000 each. The construction of one of these barns is unique. It is raised on posts, about 30 inches off the ground, and has three entrances—at one end and in both sides at the middle. There is a double row of stalls on either side of a wide passageway. The floor is slatted, and the whole barn is thoroughly flushed out with water at frequent intervals. The structure is only one story, but the roof is high, and there is the freest possible circulation of air.

The estancia is under an excellent business management, and the assistant manager is authority for the statement that unless sales exceeded ₡1,000,000 annually they would not meet expenses.

Ordinary rams for range use bring from ₡200 to ₡500, and bulls for the range from ₡400 to ₡1,000, and in some cases as high as ₡1,700. There are 4,000 cows on the estancia, all of which are the descendants of pure-bred Shorthorns, but only 400 of them are registered. About 200 bulls were on hand. Nearly all of the stud bulls have been imported, and as much as ₡30,000 has been paid for one bull. A few pigs are kept on the place.

LAS ACACIAS.

Las Acacias estancia is located near the San Juan estancia. It is owned by an incorporated company, and the evidence of business sagacity and system is everywhere apparent. It is famous for its Rambouillet sheep, and some very good Shorthorn cattle and Berkshire hogs are to be seen there. The estancia is small, compared with most of the others, comprising about 10,000 acres. Merino sheep have been raised there ever since 1823. The original stock was similar to the original Merino stock in North America, on which has been grafted Rambouillet blood from France and Germany. The sheep are now known as Argentine Rambouillets, and the flock is maintained in seven families. There are 700 breeding ewes, 100 in each family. No outside animals are bought, but the blood lines of the different families are used in such manner as to prevent extreme inbreeding. The distinction between families appears to be more a matter of type than of blood lines, and the family characteristics are based principally on differences of fleece, although form is considered to a certain extent.

This was one of the first estancias in Argentina to take up hog raising. There are quite a number of pure-bred Berkshires, but most of the hogs are crosses of Berkshire on natives. About 3,000 hogs are kept, and sales number about 1,000 annually. They bring from 40 to 45 pesos each. All the pens are concrete and can be easily flushed out or disinfected if necessary.

The estancia is now preparing to install its own slaughterhouse and cure its own hams and bacon. A native Spaniard has been engaged for this work. The cattle are, of course, Shorthorns and are valued at a total of 2,200,000 pesos. The bulls are especially good, and the barns for housing the cattle are among the best that the writer saw. The barns are arranged in the form of a quadrangle, one side of which contains the feed house and sleeping quarters for the men. The fronts of the stalls are sliding doors of corrugated iron, and the doors are kept open most of the time. This arrangement enables the cattle to be practically in the open air. Inside the quadrangle are a well, windmill, and tank, and a series of shower baths, six in number, which are used when fitting cattle for show. Each shower is controlled by a separate valve, and a concrete pavement around the bath prevents mud.

Gardening is quite an extensive feature of this estancia. The flower beds, roses, greenhouses, and vegetable gardens are very beautiful. A double row of crimson rambler along the drive back of the mansion was a most beautiful floral display. The gardening is under the charge of a graduate of the horticultural school of Turin.

SAN JACINTO.

San Jacinto estancia is located about two hours' ride due west of Buenos Aires, and is noted for its thoroughbred horses and Shorthorn cattle. A few Jersey cattle are kept. Some mules are bred and a large number of sheep are raised, principally for the meat market. There are 20,000 cattle in all, and 35,000 sheep. The owner of this estancia is peculiar in his attitude toward pedigrees. He keeps no pedigrees whatever of his cattle or sheep, and although all his cows are at least very high-grade Shorthorns, and a great many of them practically pure bred, he enters only the classes for grades and crosses at the shows.

The thoroughbreds on this estancia are among the best in Argentina, and it goes without saying that the same system regarding pedigrees used with the cattle would not be possible with the thoroughbreds, on account of the rules of the racing commission of the jockey club. The leading stallions are Bat and Val d'Or, both well known in racing circles. Bat is a beautiful horse, rather small, but full-made, with a great deal of quality. His colts have not been very successful on the turf, although they are uniform in appearance and have excellent conformation. From the standpoint of individuality Bat's progeny are superior to those of Val d'Or, but the latter, which is a son of the famous Flying Fox, is the better racing sire. One million francs (\$198,000) were paid for Val d'Or. He is a big, almost coarse, horse, with a good top line. His colts lack the uniformity of Bat's, but the best ones are far superior. The mares on this estancia compare very favorably with those seen on the better stock farms of Kentucky.

CHAPADMALAL.

Chapadmalal estancia is located 12 miles from Mar del Plata, the seaside resort of Buenos Aires, a night's ride from that city. The estancia comprises 10 square leagues of land (about 67,000 acres), and has a frontage of 12 miles on the sea. It has been developed along the lines of the great estates of England, and the influence of England on its owners is marked at every turn. The mansion was designed by an English architect, and all the wood and furniture used were imported from England. Englishmen are found everywhere in charge of the animals. The estancia aspires to be a sort of general supply house for all kinds of breeding stock. Almost every sort and breed of horse is raised except the American trotter and American saddle horse. Hackneys, Shires, Cleveland Bays, English hunters, English polo ponies, and even Morgans are shown the visitor. The hackneys are very good indeed, and the owner is fitting them for the coaching run from London to Brighton. Hopwood Viceroy, the hackney champion at the 1908 Olympia show at London, was seen and photographed. He was in excellent condition after his long sea voyage, and is a horse which should be of great value in his new home.

The Shorthorn cattle on this estancia are fair in quality, and the Lincoln sheep are magnificent. The establishment vies with La Belen for first honors in the Lincoln classes at the great shows.

Considerable farming is done at Chapadmalal. About 1,000 acres are sown annually in oats, wheat, corn, peas, and mangle-wurzels. No land is kept in crops longer than three years in succession. The managers are planning to begin the use of silage and are putting in a unique system of machinery to prepare the silage. The fodder will be cut in the usual manner and then run into a large grinding machine similar to a sausage grinder, corn-and-cob meal being run in at the same time and mixed with it; the silage mixture will then be conveyed to a pit for storage. The pastures on the estancia differ from those around Buenos Aires in that the grasses are not the native grasses, but such as English rye grass, orchard grass, etc. The pastures are plowed up occasionally and reseeded. This is not an alfalfa country, except in the bottom lands.

MEAT PACKING.

The slaughtering business at the River Plate ports is naturally very extensive, for without the export meat trade the cattle business of Argentina could not exist and the sheep business would be dependent wholly on the wool trade. In contrast with our own system the abattoirs in Buenos Aires are more or less scattered, although all of them are on the Riachuelo, a small navigable stream tributary to the River Plate, which bears much the same relation to Buenos Aires that the Chicago River does to the city of Chicago, and the two streams look very much alike.

None of the plants begin to approach the great Chicago or Kansas City establishments in size or number of slaughterings. A plant with a daily capacity of 500 cattle and 3,000 sheep is a large one. Owing to the small capacity there is not the same demand for labor-saving devices. Very little mechanical traction is used in moving carcasses from the killing floor to the freezing rooms. At one of the leading plants in Buenos Aires the record time for slaughtering a steer from the time he is struck to the time his carcass is started to the cooler was said by the foreman to be 7 minutes, and this was regarded as a good record in other establishments.

The external appearance and surroundings of the plants are usually rendered as attractive as possible, the buildings being painted white and flowers planted in the open spaces near them. The abattoirs themselves are usually quite clean, and little objectionable odor is noticeable.

In general the system of killing is similar to that used in the United States. The electric prod, the long alleyways to the killing pens, the tilting floor, and the butcher with his poleax are familiar sights. In some plants the cattle swim through a long vat or stand for 10 to 15 minutes under a shower to clean the hides, cool the animals, and put them into better condition for killing. One foreman claimed to get as much as \$1 gold per 100 kilos (220 pounds) more for hides so treated.

In killing, a common method is to strike the animal a sharp blow with a short, heavy, triangular-shaped knife in the neck just back of the head, which severs the spinal cord and kills at once if the blow is properly directed. The common poleax is also used, and sometimes one that is sharp and hollow at one end and cuts through the skull.

Chilling rooms are kept at 29° to 30° F., and freezing rooms at 14° to 18° F. Carcasses may be put into the freezing rooms at once or cooled gradually. They sometimes remain as long as two weeks in the freezing rooms before being put on board steamer. The temperature in the freezing chambers on board ship is kept at about 18° F. Frozen beef is very economically stored on ship, being piled in tiers from the bottom to the top of the hold. Chilled beef must be hung on hooks.

A few "frigorificos" (freezing plants) in Buenos Aires are located so that they can load directly into a steamer's hold, but most of them load first into lighters and reload to the vessels. One of the largest establishments, with only a short lighter voyage, has installed refrigerating machinery in its lighters, which keeps the temperature the same as that of the freezing rooms in the plant. This is in addition to insulating the lighters thoroughly to prevent radiation of heat. Generally insulation alone is depended upon to prevent thawing of the meat, no special refrigeration on the lighters being thought necessary.

The impression a North American gets is that there is very little utilization of by-products in the Argentine abattoirs. Each plant, of course, has its rendering tanks, but by-products are usually sold in the unfinished state to local factories.

The inspection system seems to be thorough and efficient.

OPPORTUNITIES FOR UNITED STATES BREEDERS.

South America, and especially Argentina, has been discussed for years as a promising outlet for the pure-bred live-stock trade of the United States, but few important efforts have been made to obtain an entrance into that field. An Indiana stockman has for some time been making annual shipments of cattle, hogs, and poultry to Buenos Aires, and the venture has been a profitable one on the whole. The shipment of thoroughbred horses in the summer of 1908 attracted much attention in both countries, and the horses sold fairly well in Buenos Aires. There is also a New York firm which has sent quite a number of dairy cattle to Brazil, and the trade of the Vermont Merino sheep breeders with Uruguay is still carried on in a limited way. In nearly all cases, however, the Argentine breeder seems to feel that if he wants something better than he can breed himself, he must go to England or France for it.

The Argentine breeder recognizes the value of North American importations for just about what they are worth. If good animals, they are welcome; if inferior, they meet with no more ready sale than at home. In the writer's opinion the following are necessary and very important steps to take to bring us our share in the South American trade:

(1) Let breeders in both countries become acquainted personally. This could not be done better than by having South American breeders attend our leading live-stock shows and assist in the judging. Invitations of this kind would doubtless be cordially received, and would open the way to an exchange of such courtesies as could not fail to be mutually profitable. Nothing strikes one more forcibly in Argentina, Chile, and other South American countries than the sentiment which exists toward the United States, to which Arthur Ruhl has already called attention in the Other Americans. The dominant note is the expression of a desire to become better acquainted. The South Americans are eager to know the North Americans, but they naturally feel that they should be met halfway.

(2) A campaign of enlightenment. In addition to having Argentine breeders visit the United States, there should be a determined effort to exhibit North American animals in Argentina. Prizes at the shows, as a rule, are open only to native-bred animals, but that would not prevent the exhibition of animals for advertising purposes and for sale.

If North American breeders should form a company and buy a small estancia, where cattle could be kept prior to sale, they could combine this advertising feature with the lowest possible cost of handling the animals.

In this connection it may be remarked that a permanent exhibit of breeding animals in the United States could be of great benefit, not only in developing trade with South America, but with other countries as well.

In developing the trade with Argentina four points should be especially borne in mind:

(1) Only good animals should be sent. Argentine breeders are just as good judges as those in other countries.

(2) The best demand exists for beef cattle in the following order: Short-horns, Herefords, Aberdeen-Angus; for horses, thoroughbreds and hackneys; for sheep, Lincolns are by far the most in demand; for hogs, Berkshires and Poland-Chinas, but the hog trade, as already pointed out, is limited.

(3) The representative in charge should have a thorough knowledge of Spanish. It is a waste of money to send a business agent to South America who must speak a foreign language or through an interpreter. Even though an Argentinian can speak English fluently, he naturally prefers to use Spanish at home. If the North American can speak Spanish, few better introductions are needed.

(4) The cost of selling animals in Buenos Aires through the auction stables is considerable. These stables are well fitted up, sanitary, well ventilated and well lighted, and managed by gentlemen with whom it is a pleasure to have dealings; however, they are necessarily expensive, and unless cattle are quickly sold the expenses cut into the profits seriously. If for any reason the prices quoted are not satisfactory, there should be some place where the animals can be kept at a minimum cost until they can be sold to advantage. As before mentioned, a small estancia would be best for this purpose, and could be made a profitable investment in other respects as well.

Mr. COWAN. The reason that I am passing from this matter is to read an address that was delivered by Prof. Arthur W. Mumford, representing the Department of Agriculture, of a number of ranches in Argentina, examining into the entire meat production down there. He delivered a speech, or an address, before the American National Live Stock Association, at Denver, Colo., in 1910, which was two years later than the other pamphlet, in which he said:

Mr. President, ladies, and gentlemen, the time has passed in this country, or in any part of this country, when we can afford to ignore what is taking place in the rest of the world, and it is quite possible that by knowing some things about the Argentina cattle trade that we may be able to better proceed in the cattle-raising business in this country.

In the last 10 years the population of Argentina has increased 42 per cent, railway mileage 36 per cent, and the area under cultivation 167 per cent. The development of Argentina is second only to that which has taken place in the United States. They have in that country at the present time 9,000,000 acres in alfalfa out of a possible 60,000,000. They have something like 10,000,000 acres in wheat, with an area capable of growing good wheat of 80,000,000 acres. They have something like 8,000,000 acres in corn, with a possible corn area of five or six times that amount.

It has been said that the United States need not fear competition from Argentine cattle because they are not corn-fed cattle. It is true that the cattle-raising business of Argentina at the present time is confined entirely to grass cattle, or the fattening of cattle upon grass or alfalfa. I am told by some of the most progressive cattle raisers in Argentina that they are only waiting for the time to come when they can get enough for corn-fed cattle to get them to feed corn. Much of the corn now exported could be used for cattle feeding. All that is necessary to induce cattle raisers to make corn-fat cattle in Argentina is satisfactory prices. They can produce cattle that will compare very favorably indeed with the corn-fed cattle in the United States.

I am not particularly alarmed, nor do I think that it is time for the stockmen of the country to become alarm, because Argentina is making great inroads on our cattle-export trade. You are doubtless familiar with the fact that the export beef trade of the United States to Great Britain fell off 80,000 tons in one year while the trade from Argentina to Great Britain increased approximately 60,000 tons.

It is popularly supposed that Argentina is a great distance away. We must not forget the fact that the great cattle-producing area of the Argentine is just as near European markets as our great cattle-producing area. It costs no more, gentlemen, to deliver 100 pounds of beef from the packing houses of Argentina than it does from the packing houses of Chicago—possibly $2\frac{1}{2}$ cents a hundred more, that is all. There are something like 70 ships provided with cold-storage plants for delivering beef from Argentina to Great Britain. There is ample opportunity for exporting Argentine beef.

I shall devote the rest of my time—and I have given the chairman my promise not to take more than 30 minutes, or at least but little over 30 minutes—to showing some slides, which perhaps give a better idea of the cattle-raising business in Argentina than I could without them. We must remember and take into account the fact that Argentina is about one-third the area of the United States. While this is true, it has been estimated by experts that they have two-thirds of our producing capacity of foodstuffs; that have a population approximating 6,000,000, and they have a food-producing capacity sufficient to feed a population of 200,000,000. It is not probable that the people there will starve to death on account of the scarcity of food. The thing that they lack is labor. This is an important factor, which has retarded the progress of agriculture as against the live-stock industry. Immigration consists quite largely of Italians, and Italians not familiar with farming practice. The farming that is done there, while they get satisfactory crops, is a very poor class of farming. It is the kind of farming that we would think very slovenly and very, very poor farming, indeed, in this country. They produce satisfactory crops of corn with but little effort. To look at the corn an Illinois man would say that it would not be worth harvesting; however, the farmers produce from 40 to 60 bushels per acre on their best corn lands, and that corn commands a better price in Great Britain than corn from the United States. That is because it arrives in Great Britain in better condition than our corn. It is a hard variety, that does not must or mold, or get in bad condition in shipment through the Tropics.

I have said that the population of Argentina is between five and a half and six millions. Three millions of these people are just about in the same class, socially and intellectually, as our Southern negro. Their wants and requirements are but little, if any, greater. They are peons, and they live and apparently thrive and keep fairly contented under conditions which the American laboring man would not tolerate.

The cattle population of Argentina, outside of dairy cows, is something like 30,000,000. Statistics in that country are less reliable than they are in this country. Their sheep population, which I shall have very little to say about at this time, is approximately 100,000,000. Cattle have not increased in numbers in Argentina, but they have increased in quality tremendously in the last few years. You would scarcely believe some of the stories which I might tell you of the enterprise that has been exhibited by some of these Argentine ranchmen or estancieros. They have paid as high as \$15,000 for single bulls to improve their cattle. They are continuing to pay prices which will get the best stock in Great Britain, and they are ready to get stock from this country, but the breeders of this country must not think for a moment that anything will do for the Argentinians.

Nothing but the very best breed of cattle should be sent there from this country. Only the highest grade of cattle produced in Argentina—that is, the well-bred and well-fattened—are used for export. The best of these are chilled and the remainder frozen. About 28 per cent of the beef exported from Argentina is chilled. All of Argentina export mutton is frozen. It is estimated that Argentina slaughtering establishments have practically three-tenths of the killing capacity of the world. The plants which slaughter cattle which are chilled or frozen are called frigorificos. That answers some question in a way. In 1903, when the British ports were closed to live cattle, there were but three of these establishments in Argentina; now there are seven. The saladero or "jerked" beef establishments of 20 years ago have been gradually disappearing as more modern methods of handling meat have been introduced.

This indicates the progressive tendency of the country and the great improvements that have been wrought in the cattle. As late as 1894 2,000,000 were killed in the saladeros or beef-salting factories of Argentina; in 1901 only 403,000, and in 1907 about 270,000. It is true that much of the saladero industry has been transferred to Brazil, Uruguay, and Paraguay. However, about one and one-half million cattle represent the entire number of cattle slaughtered in these establishments in the countries named. While the number of beef cattle in Argentina, the most prosperous Latin Republic, does not seem to be increasing, improvement in quality has kept pace with the extension of the area under cultivation.

I will skip a part of this article in order to save time.

The climate makes it possible for the entire life of cattle to be spent out of doors without shelter and without shade of any kind. The feasibility of a very large acreage for the growth of alfalfa and other nutritious grasses and legumes, together with cheap land and labor, make it possible to produce beef cheaply. To anyone unacquainted with the possibilities of the country the degree of fatness which cattle acquire on grass or alfalfa alone is a marvel.

I will stop at this point to say that I have talked to men who have seen those cattle, and they say from the point of fatness they are the finest cattle they have ever seen, and the pictures in this book indicate the quality.

A statement of the distribution of cattle throughout the various Provinces of the Republic will serve to show what parts are considered best adapted for cattle raising. In some instances these statistics might be misleading, as, for example, in the Province of Buenos Aires and other favored sections of the country where cattle may be kept, for agriculture is more profitable. I am not going to take your time too much in detail, but I will point out a few instances.

The Provinces of Buenos Aires, Corrientes, Entre Rios, Santa Fe, and Cordoba are at present the leading cattle sections. These five Provinces contain upward of 80 per cent of the cattle in the Argentine Republic. Their cattle ranches are large, those of from 12,500 to 25,000 acres in extent being common, while those of 200,000 acres are not unknown. Alfalfa, which grows luxuriantly over a large part of the Argentine is yearly becoming more and more the cattle raisers' mainstay. The 9,000,000 acres devoted to this crop by no means represents the extent of its probable use, as its gross is rapidly increasing. Alfalfa is pastured with cattle, sheep, horses, and hogs. As a rule, only the surplus is cut and stacked for hay. If the entire crop is left for hay it can usually be cut five times and will yield 5 tons or more for the season. Ranches well set in alfalfa and intelligently handled will graze 4,000 cattle, 1,000 sheep, and 100 horses to the league of 6,672 acres. Alfalfa is by no means a new crop and, notwithstanding the rapid extension of its growth, its wealth-producing possibilities are not yet fully appreciated by our southern neighbors, else its culture in Argentina, where possible, would be universal.

I want to make one statement. To emphasize the importance of this crop to the Argentine beef producer, a single instance will suffice. A progressive Englishman assumed the management of an estancia of some 140,000 acres in extent. That was 13 years ago. At that time the pastures were simply of the native grasses. As the estancia was owned by a stock company, it was divided and subdivided and parts of it were sold until to-day but 55,000 acres remain. This is all well set in as fine alfalfa as it has ever been my privilege to see. This 55,000 acres support as many cattle and sheep as the original 140,000 acres before the adoption of alfalfa.

Much more is to be said, but I will hand my type written manuscript to the stenographer to be inserted instead of what I am stating.

I submit, in this connection, a statement of the weekly prices per head of cattle at Buenos Aires, which was furnished by the Department of Agriculture. I will not stop to read that, as I have given you the range of prices as from \$23 to \$30. I will assume in my statement that these cattle will average with 1,000 and 1,200 cattle sold

ing Chicago. I am pretty certain they will average very much more, and if this committee might desire to know that they may have it more explicitly by sending for the representatives of the Agricultural Department, who have been down to examine into this matter, including Mr. Rommel or Mr. Mumford, from whose address I last read.

Average weekly price per head for native (criollas) fat steers at Buenos Aires, 1899-1911.¹

Dates. ²	Price per head.		Dates.	Price per head.	
	Low.	High.		Low.	High.
1899.			1907.		
January.....	\$16.38		Jan. 4.....	\$27.60	\$29.72
April.....	17.80		Feb. 1.....	23.35	27.60
July.....	20.52		Mar. 1.....	25.48	26.32
October.....	22.26		Apr. 5.....	27.60	29.72
1900.			May 3.....	29.72	31.84
January.....	23.62		June 7.....	26.32	29.72
April.....	22.92		July 5.....	25.48	26.32
July.....	20.62		Aug. 2.....	27.60	29.72
October.....	24.74		Sept. 6.....	27.60	29.72
1901.			Oct. 4.....	29.72	31.84
January.....	20.06		Nov. 1.....	28.87	30.57
April.....	19.67		Dec. 6.....	25.48	27.60
July.....	20.78		1908.		
October.....	20.36		Jan. 3.....	21.22	26.35
1902.			Feb. 7.....	23.35	25.48
January.....	17.64		Mar. 6.....	23.35	25.48
April.....	17.26		Apr. 3.....	23.35	25.48
July.....	22.21		May 1.....	25.48	27.60
October.....	24.10		June 5.....	23.35	25.48
1903.			July 3.....	25.48	27.60
January.....	21.82		Aug. 7.....	27.60	29.72
April.....	22.72		Sept. 4.....	27.60	29.72
July.....	21.23		Oct. 2.....	27.60	29.72
October.....	20.17		Nov. 6.....	27.60	29.72
1904.			Dec. 4.....	27.60	29.72
January.....	20.60		1909.		
April.....	21.23		Jan. 1.....	23.35	25.48
July 1-7.....	19.10		Feb. 5.....	23.35	25.48
Oct. 1-7.....	27.04		Mar. 5.....	25.48	27.60
1905.			Apr. 2.....	23.35	25.48
Jan. 5-11.....	22.72		May 7.....	25.48	27.60
Feb. 3-8.....	22.72		June 4.....	23.35	25.48
Mar. 2-8.....	22.29		July 2.....	25.48	27.60
Apr. 6-12.....	24.42		Aug. 6.....	23.35	25.48
May 4-9.....	23.36		Sept. 3.....	29.72	31.84
June 1-7.....	22.29		Oct. 1.....	31.84	33.97
July 7.....	\$22.08	\$23.35	Nov. 5.....	33.97	36.09
Aug. 4.....	25.48	27.60	Dec. 3.....	29.72	31.84
Sept. 1.....	25.48	27.60	1910.		
Oct. 6.....	26.32	27.60	Jan. 7.....	25.48	27.60
Nov. 3.....	27.60	29.72	Feb. 4.....	23.35	25.48
Dec. 1.....	25.48	27.60	Mar. 4.....	25.48	27.60
1906.			Apr. 1.....	25.48	27.60
Jan. 5.....	25.48	27.60	May 6.....	25.48	27.60
Feb. 2.....	26.32	27.60	June 3.....	25.48	27.60
Mar. 2.....	27.60	28.87	July 1.....	25.48	27.60
Apr. 6.....	26.33	27.60	Aug. 5.....	27.60	29.72
May 4.....	26.33	27.60	Sept. 2.....	26.33	28.45
June 1.....	26.33	27.60	Oct. 7.....	26.33	28.45
July 6.....	25.48	27.60	Nov. 4.....	29.72	31.84
Aug. 3.....	28.87	29.72	Dec. 9.....	25.48	27.60
Sept. 7.....	29.72	31.84	1911.		
Oct. 5.....	29.72	31.84	Jan. 6.....	23.35	25.48
Nov. 2.....	31.84	33.97	Feb. 3.....	25.48	27.60
Dec. 7.....	30.57	31.84	Mar. 3.....	27.60	29.72

¹ From Review of River Plata, Buenos Aires.

² Prior to July 1, 1904, the exact dates to which these prices refer are not given in the Review of the River Plata, but an effort has been made in this table to quote prices for the first business week of each month named.

Referring now to our competitors in the meat supply. By reference to page 43, table 13 of Bulletin 55, which I first read when I began my statement, it will be observed that the estimated world supply of meat animals was as follows; I will read round figures:

Cattle, 425,000,000 head, of which the United States had 17.5 per cent; goats, 91,000,000 head, of which the United States had 2.2 per cent; sheep, 809,000,000 head, of which the United States had 8.8 per cent; swine, 141,000,000, of which the United States had 4.1 per cent.

This table shows that the number of meat animals in the United States is as follows: Cattle, inclusive of milch cows, 74,000,000 head; goats, 1,948,000 head; sheep, 53,471,000 head; and swine, 56,612,000 head.

Practically all American countries produce a surplus, which the European countries, as well as the Orient, consume. We are chiefly concerned at present with the question as to whether the country can afford to open the markets of the United States to the free importation of meats and live animals from those countries which produce a surplus. As strange as it may seem, I have been told that on the free importation into this country China will take our trade in pork. I do not know anything about it. I do not profess to be informed, and I am not here to represent the hog business, but it was a surprising statement. But it is worth while to consider this before we open this country as a cheap market to dump stuff into, to become the place to market what we produce.

Senator WILLIAMS. It looks to me as if there is nothing we could produce in free competition with the balance of the world.

Mr. COWAN. I would not want to make a statement with reference to so broad a suggestion as that, but later on I—and if, in answer to your suggestion, my opinion would be worth anything, I would say that we have reached the point, Senator, of paying so much for our labor, and our land has become so valuable where we have absorbed and destroyed the natural resources of this country to reduce the earning power of men who cultivate the land; where we have brought the families of the farmers up until they wear good clothes and wear no longer knit galluses, who ride in a buggy, or have an automobile, a good house, books, and schools and churches, and pay for all these things. We can not sell our goods in competition with people who live on a lower plane and who get lower wages than do the citizens of this country.

Senator WILLIAMS. The manufacturers say they can not live in competition, the miners say they can not live in competition, the farmers say they can not live in competition, and if that is so we have got a right poor country.

Mr. COWAN. No, sir; we have the richest country in the world, because so far as farming products are concerned we are making what we consume, and every dollar of it should be left at home; and every dollar we send to South America and to Canada, and to Mexico, to buy meat, impoverishes this country and puts that money there in circulation and takes it from our stock of money in this country.

Senator WILLIAMS. Is not Texas raising more pounds of beef to the acre than it was some time ago, owing to the improved quality of the beef cattle and the improved methods of taking care of them?

Mr. COWAN. There are no statistics that would enable anyone to answer that question, but with great respect, and of course I have known you so long, Senator—

Senator WILLIAMS. I am not expressing any opinion, however.

Mr. COWAN. I mean every answer, however enthusiastic, in the most respectful way. Going back 25 years ago, I will say we began then to rent the public lands of Texas and to fence it. We had begun it before, but drawing a line along the eastern boundary of New Mexico and to the Rio Grande, I do not believe there were many pastures west of that line at that time. A large part of the country lying east of that line was not in pasture, particularly south of the Texas & Pacific Railroad. The country was not occupied, so we could not estimate our production to grow in the State, for the reason that the acreage was not used for the purpose of producing the largest amount, or it might have produced, but a man would locate at a water hole and spring, and graze a country for 50 miles around, not having one-fourth as many cattle as he could have raised.

Senator WILLIAMS. Take around Dallas and Fort Worth.

Mr. COWAN. We produce a great many more.

Senator WILLIAMS. A great many more?

Mr. COWAN. And a great many better cattle.

Senator WILLIAMS. And don't you really raise more wheat to the acre in the wheat part of Texas than you did, say, 10 years ago?

Mr. COWAN. Our wheat production in Texas, Senator, has gone from 30 bushels to the acre in a good crop 20 years ago until we rarely get over 15 bushels, so far as my acquaintance with wheat goes. I believe Senator Bailey will bear me out in this.

Senator WILLIAMS. That is due to the spread over the poorer land.

Mr. COWAN. Or it is all deep, black land, and it is not due to the poorer quality of the land.

Senator BAILEY. What is true of our land is true of the land in every State.

Mr. COWAN. Of all the black wheat land of Texas.

Senator BAILEY. It is true of every State in the Union where wheat is produced, North Carolina being the only State I know of where the production of wheat will show an increase production per acre on old land.

Senator WILLIAMS. I do not want to testify myself, but in answer to that I think you will find on the older lands, where intensive farming is practiced, that the product per acre of corn and wheat and oats has gone up. Of course, when you come to take the entire acreage of the entire United States it has gone down.

Senator BAILEY. Senator Williams, you are mistaken about that as to Texas.

Senator WILLIAMS. I did not know whether intensive farming was practiced around Dallas or not.

Senator BAILEY. The average production of wheat per acre in north Texas will show a diminution of 20 per cent on the same land; the greatest wheat-producing country in our State, which is now Denton, will show a diminished production to the acre now as compared with 20 years ago. We have never found a restorer, nor have they done so in Kentucky, Ohio, and Indiana, but they have in North Carolina. I have seen reports from that State that show increased production per acre.

Senator SIMMONS. It is due to a tendency toward more intensive cultivation in our State.

Senator WILLIAMS. Three boys in my county last year made over a hundred bushels of corn to the acre in a county which averages about 20 bushels.

Senator BAILEY. Undoubtedly; and it cost almost as much to make it as it was worth. In South Carolina there was once produced 255 bushels of corn to the acre, but they had the ground in the condition of a garden, and they cultivated it like a garden.

Senator STONE. When?

Senator BAILEY. Within the last 25 years.

Senator SIMMONS. Near the capital a man of my State raised about 250 bushels to the acre, but there was no profit in it, since an immense quantity of fertilizer was put on it.

• Senator SMOOT. And it was perhaps the richest piece of ground in your State?

Senator SIMMONS. No; but they made it intensely rich with fertilizer.

Senator McCUMBER. We can make our lands better in the Dakotas if we cultivate more carefully, but the cost of cultivation at the present prices of the product is so great that there would be no gain.

Senator BAILEY. In South Carolina they had made preparations to irrigate, but it happened that the season was so favorable that they did not need to do it. I beg your pardon for my interruption.

Mr. COWAN. I have a few more remarks. I do not object to being interrupted. The only point I was trying to accomplish was to present this consecutively as well as I could, and your statements only emphasized the point I was trying to make.

Answering further with respect to the conditions in Texas, Senator Williams, take Denton County as an example of the best wheat county in Texas. I came to Denton County myself and went to farming and taught school in the winter time to pay myself out of debt, and I am an experienced farmer, because of my experience with the hoe; and my father lived in Denton County until he died last fall, and I have been perfectly well acquainted with it during the entire period of 30 years. My brother-in-law has 700 acres in wheat land just west of Denton, and I have knowledge of that country, and I am making no mistakes when I tell you—and you may rely upon it—that the average production of Denton County in wheat, if we measure it by the average of the last 5 years with the period of 25 years ago, is more than one-third less, I was about to say, but I would be safe in saying one-half at this time.

Senator KERN. And the yield is steadily decreasing.

Mr. COWAN. I would not say that that is the case during the past 10 years, but it is—I believe that that is the case. We have had two years now of hard drought, and of course this has interfered to some extent, but my opinion is that it is a steady, continuous decrease, and to-day I believe that Texas would be better off if we did not try to raise wheat at all, at present prices. That is the opinion of nearly everybody who owns land around Roanoke, and that is one of the best places to raise wheat.

Senator KERN. What is the name?

Mr. COWAN. Roanoke, which is 20 miles north of Fort Worth on the "Katy," but the difficulty of getting labor for raising cotton is so great that men have to utilize their farms for wheat when they would make a great deal more money out of cotton.

Senator WILLIAMS. Do you know where Lone Oak is?

Mr. COWAN. I know of it, and I believe—

Senator BAILEY. Lone Oak is in Hunt County.

Senator WILLIAMS. I passed through there lately, and I saw what I never had seen anywhere else—splendid cotton, splendid wheat, and magnificent alfalfa growing side by side.

Senator BAILEY. And you could have seen splendid corn.

Senator WILLIAMS. I happened to see those three crops, and I thought any time you could grow a bale of cotton so good as that, and what looked like a splendid crop of wheat, and what I know was a magnificent crop of alfalfa, with a fence separating them, that the people owning that land ought to be thanking God every day for his kindness to them.

Senator BAILEY. We do, every day and every night, too. That is the finest country in the world, and it will produce more things and produce more of every one of them than any similar area in the world.

Senator WILLIAMS. And yet you want protection.

Senator BAILEY. No; they do not ask for protection.

Senator HEYBURN. Now, about fertilizers; I want to know if you use fertilizers on your wheat?

Mr. COWAN. There is no fertilizer used on any of the general crops in Texas in the black-land district or anywhere west of that, but in some of the lands in the piney woods or timberland district of eastern Texas I understand that they are using some fertilizers, but I have never seen it.

Senator STONE. The productivity of Texas land in wheat has decreased, in your opinion, approximately 50 per cent in 25 years?

Mr. COWAN. There would not be a decrease of 50 per cent. I would say about a third—I might safely say 50 per cent, however.

Senator BAILEY. I do not know whether you agree with that or not—I see no reason, however, why it is not true, that the same thing would not hold good throughout the country.

Mr. COWAN. I have read a great deal of that being so, but I have read after Senator McCumber on that subject, I think, and others who have stated that the production is decreasing about in the ratio I have mentioned, in Texas.

Senator STONE. You say the productive capacity of the land is still lessening from year to year? What I have in mind is if that process is going on throughout the country, a constant decreasing amount of wheat which can be raised, with the rapid increase in our population, we have about arrived at the point, or soon will, when we will not produce as much wheat as our people will need to consume.

Mr. COWAN. I did not come here to talk on wheat. That might be so or it might not, but you can not do it if you decrease the live-stock production in this country so as to deprive the farmers of free fertilization through the method of live-stock raising, which they have been successfully doing in the State of Iowa and some parts of Kansas and elsewhere.

Senator WILLIAMS. Your agriculture in Texas is nearly all extensive instead of intensive?

Mr. COWAN. Yes, sir; there is very little intensive farming in Texas. In a few places there is. There is around Brownsville and a few other isolated places. There is no fertilizer used in the main black-land belt of Texas where cotton, wheat, and corn are produced most extensively.

Now, proceeding, with respect to the price and value of dressed beef and cattle, which we will have to compete with if we admit the Argentine cattle, it may be safely assumed that if this country is opened to the free importation of meat and meat animals the farmers' prices must decline so that they will be placed upon the level established by the cost of laying down those products in this country. We have no means of knowing that precisely, but it may be safely assumed that in the end they can be laid down in New York as cheaply as in London. I therefore submit to you a table furnished by the Bureau of Statistics of the Department of Commerce and Labor, showing the wholesale prices per pound of River Plata mutton and beef at Central Meat Market, in London, from 1898 to 1911, from which it will be observed that in 1911 the value of chilled meat, hind quarters, was 7.9 cents per pound.

These figures are supposed to be authentic.

Average wholesale price per pound for River Plata mutton and beef at Central Meat Market, London, 1898-1911.¹

Date.	Frozen mutton.	Beef.			
		Frozen.		Chilled.	
		Hind quarters.	Fore quarters.	Hind quarters.	Fore quarters.
Average—	Cents.	Cents.	Cents.	Cents.	Cents.
1898.....	9.63				
1899.....	9.88				
1900.....	10.65				
1901.....	6.59	7.60	5.58		
1902.....	7.60	8.87	7.60		
1903.....	7.60	8.11	5.83		
1904.....	7.82	6.96	5.54	8.82	6.21
1905.....	7.38	6.73	5.43	8.47	6.00
1906.....	7.49	7.06	5.43	8.26	6.00
1907.....	7.28	7.52	5.97	9.25	6.66
1908.....	7.28	7.82	6.41	9.91	7.08
1909.....	6.30	7.38	5.86	9.69	6.73
1910—January.....	6.32	6.45	5.66	8.17	5.53
February.....	8.30	6.72	5.93	10.28	6.86
March.....	7.38	7.11	6.45	6.59	7.25
April.....	8.69	8.69	7.64	9.62	8.04
May.....	7.64	9.06	8.30	11.20	8.43
June.....	7.25	11.86	8.96	13.17	9.75
July.....	6.98	6.98	5.66	9.22	6.06
August.....	6.72	7.77	6.06	10.93	7.77
September.....	6.72	6.85	5.40	8.96	5.27
October.....	7.77	7.25	5.66	11.86	6.59
November.....	7.38	6.85	5.40	7.11	5.53
December.....	6.98	6.85	5.66	7.77	5.80
1911—January.....	6.98	6.98	5.93	8.96	6.06
February.....	7.38	7.25	6.19	8.30	6.59
March.....	6.85	7.25	5.93	7.90	6.06

¹ Yearly averages computed from quotations in Meat Trades Journal, London, and published in Reports on Agricultural Returns of the United Kingdom. Quotations for individual days taken directly from Meat Trades Journal.

This shows that those prices are far below the average for the period. The last I gave you were for March, this year.

I went into the market this morning here at Washington to see what you pay for meat, if you buy it there, compared to what we pay for it at Fort Worth, coming right out of the packing houses there.

I find that you pay less on the block, if you buy the beef in the places I went to in your market, than we pay in Fort Worth for the same quality of beef.

I wandered into a cooler—this was a little before 7 o'clock this morning, and I am pretty well acquainted with the beef business; I have seen a great deal of the business and I have helped kill and skin, but I have never helped steal any of it, although I have prosecuted a great many for doing so.

There were hanging in the market cooler probably 30 or 40 quarters of beef, and it was good beef. I should say that they were produced from 1,150 to 1,200 pound steers, well covered with fat. Another gentleman was already in the cooler with a salesman and another man came in about the time I did. I just stalked around to see what was going on, and I heard a dealer ask the salesman what he sold these hind quarters for. They had their fingers on them at the time. He said "12 cents a pound," and then he talked to him in an undertone. I was satisfied he was cutting that a little. I stayed awhile, looking at the quality.

Now, they are laying down from Argentina to-day in London as good beef as that and selling it at wholesale at 7.9 cents per pound for the hind quarters. Can any man who has got the interest of the live-stock industry of this country at heart invite free trade with Argentina, by which they may put that beef down in New York, and impoverish, as it will, the cattle producers of this country? Now, these are facts.

Senator KERN. Have you tried any of those \$2 beefsteaks at the Willard Cafe?

Mr. COWAN. Yes, sir. I want to relate to you something about that. I know you will understand my reply is always intended to be the most courteous, as I have been acquainted with you for some time, and if I were not, it would be given in the same manner. I took Senator Hudspeth from Texas—I did not take him, but I met him at a little place across from the Willard café, a respectable place. We sat down at the table and ordered the highest-priced steak they had, porterhouse steak, and it was 50 cents, with bacon and a cup of coffee, and I did not eat more than one-quarter of it, and I had all I wanted to eat, I have seen that steak sell on the market at 25 cents, and it will cost the man stopping at the Willard, I should say, not less than \$1.25 to \$1.50. If we ate at the Willard café it would cost us that much, and if we took coffee there, with cream, it would have cost us 35 cents a cup. Now, so many Senators seem to get the idea that the cost of living is high because these hotels are charging such prices. They fail to go to these places where our farmers must go to see what a respectably good meal, consisting of the same good beef, may be obtained for.

Senator KERN. I want to say to the Senator that I only stopped at the Willard two days.

Mr. COWAN. If the cattle raisers' association do not make any more money out of cattle than they are making now, they are not going to be able to pay my expenses any more and I will have to quit stopping there, but these are serious points which I am presenting now. I am telling you now what they are selling meat for in Argentine to-day. We can not compete with that meat. Mr. Lasater, a very extensive cattle producer, and the president of the cattle raisers' association, will demonstrate to you that we can not raise grass beef on that basis and lay it down in New York or anywhere near it.

Senator WILLIAMS. Do you think if the duty were removed that our people in New York would get their meat as cheap as the English people are getting it now in London?

Mr. COWAN. No; I do not think they would, Senator, for the present.

Senator WILLIAMS. Because if they did, that might, considering the general public welfare, somewhat compensate the loss the cattle raisers would suffer.

Mr. COWAN. I will reach that point later.

Senator SMOOT. Senator Williams, do you claim that the London people and the English people are getting meat cheaper than the American people?

Senator WILLIAMS. No, I do not; but he testified they were getting their meat under 7 cents and we were getting it at 12½ cents, and he said it could be imported into New York as cheaply as London. Then Senator Smoot said that would be wholesale. Then I asked the question if our people could get it that much cheaper.

Mr. COWAN. I will answer that question—I think I can answer it. Commerce follows the trails of trade. The ocean has its trails like the railroads of the land. As I have read, there are 70 ships equipped for the purpose of carrying refrigerated meat from Argentine and frozen meat and other products from Argentine to England. England has the trade in Argentine going in the opposite direction. The United States has none. It has neglected its opportunities to make trade relations that would take care of our surplus, and it would take some time to establish as cheap transportation from Argentine to New York, on account of the difficulty of loading your vessels back, and therefore I should say that for a period of time, at least, it could not be laid down as cheaply in New York as it could be laid down in London; but if they were buying 1,200-pound steers for \$25 in Argentine then they could profitably lay down this beef in New York at 7½ cents a pound.

Senator WILLIAMS. Instead of 12½?

Mr. COWAN. Yes, sir; and it is less than 12½ now.

Senator WILLIAMS. Whatever it is.

Mr. COWAN. The prices on this statement, which I have filed, of the prices in London are not the prices I have just now been reading.

I am going to call your attention to the fact that it has cost the cattlemen, the cattle producers, and breeders of the United States, or will have cost them by another six months if the same prices prevailing now shall prevail then, \$100,000,000. Take it from last October or November to next October or November, if the present slump in prices continues it will have cost us \$100,000,000 because of the fact, in my opinion, that Argentina is laying down beef in London that cuts off the possibility of our export trade and dams up the supply in this country, demoralizing the market until we are selling cattle to-day on the market in Fort Worth that are shipped to Philadelphia for sale in the carcass at 1½ cents to 2 cents per pound less than we sold them for one year ago. Now, these figures, in cents, for the chilled meat were: For January, 8.96; February, 8.30; March, 7.90 for the hind quarters, and fore quarters ran about the same. Going back, however, to January of the preceding year—it was about the same for January of the preceding year—but during the year it reached a price as high as 11 cents for hind quarters.

This period, from November, 1910, to March, 1911, shows a decline of $1\frac{1}{2}$ to 2 cents a pound in the hind quarters in London. During that time we have had a similar decline at least, which shows now in the market in the wholesale price in the United States.

These figures are presented for the purpose of demonstrating the fact that if these products are placed on the free list we may expect a reduction in the wholesale price of fresh beef in all the great centers of population along the Atlantic and Pacific coasts, and that will dam up our western supply and cut off the eastern independent buyers and demoralize prices. Precisely the same thing must happen with respect to the Canadian surplus if it is admitted into this country free on top of the surplus which we can not now dispose of.

Senator LODGE. In regard to the point you just made about the Canadian surplus: Do you consider that the admission of Canadian cattle free would have a serious effect upon us?

Mr. COWAN. I do, Senator Lodge. I did not think so some time ago because of the expressed opinion of cattlemen in various parts of the country, but I have just read a pamphlet, which I wish could be procured for every member of this committee, issued by the Hon. Sidney A. Fischer, minister of agriculture of Canada, entitled "Beef Raising in Canada." I think that was issued in April, 1910—yes; that is what it says. I understand that since this Canadian treaty came out and this proposition to bring cattle into this country was agitated, and the assertion has been so repeatedly made that cattle were worth more money in Canada than they are here, you can not get these books any more.

Senator BAILEY. If you will give me the name of it I will have it printed as a public document.

Mr. COWAN. I borrowed this one and they said I had to hand it back. It is really a secondhand borrowing, I might say.

Senator CULLOM. Just what does that pamphlet show?

Mr. COWAN. I am coming to that. I have quotations from it. I will say now that it demonstrates the proposition that Canadian cattle of the class known as choice beeves are sold in Toronto, and have been sold there for a long period of time, from 1 cent to 2 cents a pound under the same class of cattle in Chicago, and that in the fall months of 1910 there were more cattle exported from Toronto than any other place in America, to England; that Canada maintained her exportations while Chicago was second to Toronto, and this pamphlet shows how much they pay for feeders; how much they feed them, what they cost them and what they sell them for, demonstrating that they are selling beef cheaper than it has been sold during the same period in Chicago by a cent to a cent and a half a pound in Chicago.

Senator BAILEY. There is no real inconsistency between the figures which you now give and the other figures which show the price higher in Canada than in the United States, per head, but the real explanation is that the head in Canada is much heavier than the average head in the United States and that explains how it is that the larger price per head is a smaller price per pound.

Mr. COWAN. Yes, sir; and not only that, Senator, but in addition to that—

Senator STONE (interrupting). Let us see about that. Suppose the fact to be that beef per 100 pounds, wholesale or retail, in Toronto

is higher or as high as it is in Buffalo; then the question as to the price of cattle per head, the question Senator Bailey raises, would not apply.

Mr. COWAN. It would if you import the per head but do not import the beef, and that is what the treaty proposes to do.

Senator STONE. I was speaking of the price per pound.

Mr. COWAN. The price per pound of the beef, Senator, would not have the effect of bringing the price of cattle that are worth less money, where they are sold to the butcher, down to us.

Senator KERN. Are there any corn-fed cattle in Canada?

Mr. COWAN. Yes; some.

Senator KERN. I mean to amount to anything.

Mr. COWAN. It is not very considerable. They have the best grass cattle in the world.

While it has been shown that such exports of chilled beef as were made in 1910 from the United States to the United Kingdom obtained a higher price than the chilled beef from Argentina, it must be remembered that our exports of fresh beef had enormously declined, and inasmuch as the Argentine beef is not of as high standard in quality as the corn-fed beef, our exportation of fresh beef was confined, no doubt, principally to corn-fed beef, although I have no other data with which to substantiate the statement.

I submit herewith a table showing the wholesale prices of dressed beef at Chicago, Boston, and San Francisco for the years 1907, 1908, 1909, and 1910 and for the months of January and April, 1911, furnished me by the Bureau of Statistics of the Department of Commerce and Labor. This shows a decline in the latter months that I have mentioned of from 1 to more than 2 cents, and as high as 2½ cents a pound.

Wholesale prices of dressed beef.

[Cents per pound.]

Year and month (on or about first day of month).	Chicago.		New York.		Boston.		San Francisco.	
	Carcass, medium native steers.		Carcass, western dressed, choice native, light and heavy.		Beef, whole cattle, choice.		Carcass, prime heavy steers, over 650 pounds.	
	Low.	High.	Low.	High.	Low.	High.	Low.	High.
	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.
1907—January.....	6	7½	9	9½	8	8½	6½	7
April.....	6½	7½	8½	8½	7½	8½	8	8½
July.....	8½	8½	9½	9½	8	9	6½	6½
October.....	9½	9½	10	11	9½	10½	6½	6½
1908—January.....	8½	9	9	9½	8	8½	6½	7
April.....	9	9½	11	11½	9½	10	7	7½
July.....	10	11	10½	12	10½	11½	6½	6½
October.....	9½	10	9½	10½	10	10½	6½	6½
1909—January.....	9½	10	10	10½	9½	10	6½	7
April.....	9	10	10	10½	9	9½	8	8½
July.....	9½	9½	10	10½	9½	9½	6½	6½
October.....	9	10	11½	12	11	11½	6½	7
1910—January.....	9½	10½	10½	11½	9½	10½	6½	7
April.....	11	11½	11½	12½	10½	11	8½	8½
July.....	11	11½	11½	12½	11½	11½	8	8½
October.....	10½	11	12	12	10½	11½	8½	8½
1911—January.....	9½	10	9½	10½	8½	9½	9	9
April.....	9½	10	9½	10	9½	9½	9½	10

NOTE.—Prices for Chicago and New York as quoted in the National Provisioner; for Boston, in the weekly reports of the Boston Chamber of Commerce; for San Francisco, in the Butchers' and Stockgrowers' Journal.

Mr. COWAN. It will be observed from the foregoing table that there is a material decline in the Chicago, New York, and Boston markets, of present prices over those prevailing for the year 1910—in fact it seems to be very much lower—but there was not a decline on the San Francisco market.

I will stop here to explain that the Pacific coast cattle trade is entirely different to what it is in the corn belt country, or grass country east of the Rocky Mountains. There are a number of packers, slaughtering establishments, located on the Pacific coast, particularly around Puget Sound, one at Los Angeles and one at San Francisco—perhaps more at San Francisco—and it has been said that generally they have not been very successful. They have no market, no stockyards and market to which to ship in their cattle and sell them on an open market, and the men engaged in the packing business go out to the ranches and farms and purchase their cattle and ship them in, and you can readily see that when they do the farmer has something to say about what he will sell at because he has already got his cattle at home. Why the beef is cheaper there I do not know.

It certainly is not cheaper in the Alexandria Hotel at Los Angeles, if any of you have ever tried a steak there, but it is cheaper according to these reports and very much cheaper. The meat which supplies Chicago, New York, and Boston is received largely from our corn belt district and must be a better index to the cattle business and the beef business than to pay any attention to the situation on the Pacific coast.

For the purpose of ascertaining the live cost and the selling cost of the dressed carcasses of cattle bought on the Fort Worth market and slaughtered, and the beef shipped to the Atlantic seaboard for sale, the secretary of the Cattle Raisers' Association of Texas submitted a request to Armour & Co.'s packing house at Fort Worth for information, and I herewith submit the same and the reply thereto, from which it appears that Texas steers which cost \$4.60 per hundred pounds at Fort Worth in 1911 sold at Philadelphia as dressed beef for \$8.25 per 100 pounds, and the same class of cattle which brought \$6.20 per 100 pounds in 1910 sold as dressed beef at Philadelphia at \$10.52 per 100 pounds, the freight on the dressed beef being 86½ cents per 100 pounds.

CATTLE RAISERS ASSOCIATION OF TEXAS,
FORT WORTH, TEX., April 24, 1911.

Messrs. ARMOUR & Co.,
North Fort Worth, Tex.

GENTLEMEN: For the benefit of this association will you kindly furnish us the following information:

First. Present prices at which you sell carcasses of beef in eastern industrial centers, such as Trenton, N. J.; also freight to these places and commission for selling.

Second. What price you pay for this beef on foot.

Third. Compare with present prices of beef on foot and price of sale of carcass, prices of same one year ago.

Fourth. Give about three instances of certain steers bought by you, stating price paid on foot, per cent dressed out, price of sale of carcass, and make comparisons with such steers one year ago.

If you can furnish us this information, we will appreciate it.

Yours, very truly,

E. B. SPILLER, Secretary.

J. E. B.
Sec
near S
ring se
et selli

the ste

the ste

Freig
Y

It w
declin
declin
Sen
in the
about
Mr.
about
Packi
Supr
slang
the f
the 1
and
a fe
sour
slau
lent
in th
mor

S
M
kat
S
dre
Th
S
l
as
gr
ge

cu

FORT WORTH, TEX., May 1, 1911.

Mr. E. B. SPILLER,

Secretary Cattle Raisers Association, Fort Worth, Tex.

DEAR SIR: Answering your favor of the 24th ultimo, we give you the following selling in Philadelphia this year as compared with 1910, as we have no beef selling in Trenton this year:

	Cost alive.	Cost dressed.	Beef selling.
Texas steers, 1911.....	4.60	52 $\frac{1}{2}$ ₇₅	8.50
	4.60	52 $\frac{1}{2}$ ₇₅	8.25
	4.85	55 $\frac{1}{2}$ ₇₅	8.25
Texas steers, 1910.....	6.10	58 $\frac{1}{2}$ ₇₅	10.39
	6.20	57	10.52
	5.75	55 $\frac{1}{2}$ ₇₅	10.27

Freight to Philadelphia is 86 $\frac{1}{2}$ cents.

Yours, truly,

H. E. FINNEY.

It will be observed from this statement that the Texas steers have declined in price from 1 to 1 $\frac{1}{2}$ cents per pound, and the beef price has declined about 2 cents per pound or thereabouts.

Senator BAILEY. Just at that point I would like to ask you to put in the record, if it will not interrupt you, what the steer will dress; about 60 per cent to the best steer, is it not?

Mr. COWAN. I made an extensive investigation into that subject about five years ago in the trial of a case known as the Missouri River Packing House Products and Dressed Meat case, which went to the Supreme Court of the United States, showing the number of cattle slaughtered and the volume of beef at the Missouri River market, for the purpose of determining how much there was lost in freight that the railroads might have gotten had they shipped the live animals, and that average would probably be better as an average than taking a few isolated cases. The average of beef cattle killed at the Missouri River packers is from 50 to 54 per cent. The best cattle slaughter 58, and even as high as 60 per cent, but it takes a most excellent grade to do that. One thing about the Canadian cattle, as shown in this pamphlet, is that the Canadian cattle dress about 3 or 4 per cent more than do the average cattle produced on grass in this country.

Senator STONE. Do you mean grass-fed cattle?

Mr. COWAN. Grass cattle will dress 58 per cent from the Saskatchewan country.

Senator STONE. Can you state why the grass-fed cattle of Canada dress more than the grass-fed cattle of the United States.

Mr. COWAN. They have absolutely the best grass in the world. That is what men tell me who are grazing up there.

Senator STONE. What kind of grass is it?

Mr. COWAN. I do not know; but this pamphlet describes part of it as prairie wool and part as some other sort of grass.

Senator SMOOT. The best grass for cattle in Canada is buffalo grass.

Mr. COWAN. This pamphlet says you can go out on the range and get that put up hay at \$1.75 that is as fine as good timothy.

Senator STONE. We have buffalo grass on our ranges.

Mr. COWAN. It never grows high enough in the United States to cut in the form of hay.

Senator BAILEY. Then, Mr. Cowan, there is another circumstance—the larger the animal the higher per cent it dresses.

Mr. COWAN. No.

Senator BAILEY. The larger the animal, you say, the higher per cent it does not dress?

Mr. COWAN. No, sir. The better finished and oftentimes the lighter animals will dress more than the heavier ones.

Senator BAILEY. We do not differ very much. What I mean is this, that a 3-year-old steer which will weigh 1,200 pounds will dress a larger percentage than a 4-year-old steer that will weigh 1,000 pounds.

Mr. COWAN. I will ask Mr. Lasater to answer that. I think you are correct.

Mr. LASATER. I would have to state that would depend altogether on the finish of the two animals, as you have stated. As a usual thing, the animal that has been on feed the longest and is better finished will dress at a bigger percentage than the older steer that would have an increased amount of tallow on him. He might dress up to a somewhat smaller percentage; and, of course, the tallow is worth much less than the beef cuts at any time.

Senator BAILEY. A 7-year-old steer that weighs 1,400 pounds would not bring as good a price as a 3-year-old steer, would he?

Mr. LASATER. No; because he would be a much rougher steer, have a larger bone structure; he would have a big bone structure.

Mr. COWAN. The Canadian cattle dress about 58 per cent. That is what I have learned. I got that from Mr. Mackenzie, the president of the national association, who represents probably the second largest cattle business in the United States. They breed their cattle in Texas and carry them to the Panhandle and then to South Dakota and on to Canada.

Senator BAILEY. He has had experience in the Panhandle of Texas, in the Dakotas, and in Canada, too?

Mr. COWAN. Yes, sir; and the finished ones will weigh 100 pounds more on the Canadian range than you can make them weigh on the range in South Dakota, and kill out at 2 or 3 per cent more. I think Senator Lodge remembers to have heard Mr. MacKenzie testify before this committee on that subject.

I also submit Washington quotations of actual sales of fresh beef.

Wholesale price of beef in the city of Washington, D. C., as reported weekly by Swift & Co., actual sales.

[Price per pound.]

Week ending—	Cents.
Apr. 2, 1910.....	9.28
Apr. 9, 1910.....	9.98
Apr. 16, 1910.....	10.66
Apr. 23, 1910.....	11.21
Apr. 30, 1910.....	11.57
May 7, 1910.....	11.56
Apr. 1, 1911.....	9.10
Apr. 8, 1911.....	9.09
Apr. 15, 1911.....	8.92
Apr. 22, 1911.....	9.16
Apr. 29, 1911.....	9.18
May 6, 1911.....	9.22

Now, I am talking about the decline of fresh beef at this time, and I am doing that in part for two purposes: If the gentlemen over in the House of Representatives think that they can reduce the price of beef over the block by taking off the tariff a cent and a half, on the ground that that will reduce the price of the carcasses at New York, I want to inquire why the reduction of the price of beef sold in Washington wholesale has not reduced the price over the block, and what is the use of appealing to a supposed sentiment that the country is demanding cheaper beef, and this must be done for the purpose of getting cheaper beef, when it is demonstrated that these reductions in prices have not been reflected upon the price the consumer pays.

Senator WILLIAMS. Your contention is then that making the cow cheaper does not cheapen the beef to the consumer?

Mr. COWAN. My contention is that it has not done it in this case.

Senator WILLIAMS. If it has not there must be some artificial reason operating to prevent it, must there not?

Mr. COWAN. Yes, sir. That artificial reason is that the butcher simply does not sell it any cheaper, but he buys it cheaper.

Senator WILLIAMS. The natural result would be that competition among butchers would bring about a cheapening of the beef to the consumer. Now, it has not done it. Why has it not done it?

Mr. COWAN. The echo answers. I do not know. It is just the way it is in my town exactly. We are suffering a diminution in prices for cattle of $1\frac{1}{2}$ cents to 2 cents a pound. These carcasses are now being sold in Philadelphia, New York, and Washington for $1\frac{1}{2}$ to 2 cents a pound less than they were. My inquiry at the market this morning led to the information that they are not selling it any cheaper.

Senator WILLIAMS. That being a fact it is an abnormal fact, is it not?

Mr. COWAN. It is not.

Senator WILLIAMS. It is a natural sort of fact?

Mr. COWAN. I do not know that I would say it is natural.

Senator WILLIAMS. It is not natural if the beef taken out of the cow is not to be influenced by the price of the cow?

Mr. COWAN. Let me give you an instance, to show that while it would be natural it does not happen all the same. When the tariff was taken off of hides it was asserted by those of us who opposed it that it would not cheapen the price of shoes, and it was asserted on the other side that it would. They took the tariff off of hides and they are 3 or 4 cents a pound less to-day, and your shoes have not cheapened a bit. Of course, there is something behind it, but it has been done.

Senator WILLIAMS. The testimony before this committee has been that they were cheaper.

Senator BAILEY. That was due to the tariff on shoes and not to the repeal of the tariff on hides.

Senator WILLIAMS. He says shoes have not been reduced in price. The testimony before this committee is that they have been reduced in price. Going back to this question that the assertion is made that the price of a thing is not influenced—that the price of beef is not influenced by the price of the cow—then that is a state of facts, if the facts exist, violative of the ordinary law of cause and effect.

Mr. COWAN. Supply and demand.

Senator WILLIAMS. Yes; of cause and effect.

Mr. COWAN. Yes.

Senator WILLIAMS. And there must be some intervening cause of some sort of an abnormal or artificial character to create that condition. Now, what is the intervening cause?

Mr. COWAN. Senator, if you just follow me a moment you will get my line of thought the same as I have it and then I know your logic will follow the same as mine does, because logic must follow the same course.

Senator BAILEY. Permit me to suggest that here is the plain explanation of it to my mind. The price of beef from year to year and from season to season depends on the crop, which determines the price of corn in the western country with which they feed them, and on the cottonseed supply in the southern country with which we fatten them, and consequently a change in the price of beef on the hoof does not reflect itself in the price of beef on the block as readily as it otherwise would, but I think it is undoubtedly true that if you inaugurate a condition that will permanently reduce the price of cattle themselves you will in time get a reduction correspondingly in the price of beef.

Mr. COWAN. On the block?

Senator BAILEY. Yes, sir.

Mr. COWAN. Now, I have not answered that you would not. The Senator does not follow, perhaps, my answer precisely.

Senator WILLIAMS. I was trying to get the answer from you. Senator Bailey gave what is his answer.

Mr. COWAN. I will give you mine if you will just follow my thought. I have pointed out that for the last several months the price of the beef in the carcass to the butcher on the block has been reduced a cent and a half to two cents a pound. I then said I went to the market, and the information I got there was that they are not selling any cheaper. I do not know. I only know what they told me down there. Naturally, we would suppose that it ought to result in a cheaper price for beef off of the block if the butcher can buy the carcasses cheaper. They have been buying those carcasses cheaper now for several months. Whether they are selling it cheaper or not at the market, I don't know. Whether they are selling it in New York cheaper, I don't know, but I will tell you what the butchers told me this morning when I said I wanted to arrange to buy some beef, and I inquired the price and said, "I understand meat has gone down." Every one of them answered me that it had not. One man said, "Who ever heard of meat going down this time of the year?" I said, "Have not bacon and hams gone down; are not they lower?" "No," he said, "they are higher."

I went over there asking these questions, because I knew these questions would be asked by some member of the committee. That led me to ask the question a while ago, if by introducing cheap Canadian beef it would have had the same effect as something else has had in the introduction of so extensive an amount of it in London—in the value of the beef in the carcass. Why, then, has not the price to the consumer been reduced over the block? By some it is claimed that this free list is for the purpose of giving the consumers cheaper beef. I want to know why the present reduction was not done it; if in this case it would reduce it, why did it not do it

in the other? Now, Senator Bailey's answer, in part, to your question, leads to the point that if it is permanently made lower in the carcass, then, naturally, it ought to be permanently lowered over the block. Now, I will not subscribe to whether it would or would not be; I do not know. It has not been done so far.

Senator WILLIAMS. In other words, let us just change from beef to something else for a minute. Suppose when cotton goes down, and continuously goes down for some months, would not it be rather curious if that price was not reflected in the price of cotton cloth?

Mr. COWAN. I never have gone into that, Senator. I do not want to drift into something I do not know anything about and am not acquainted with, because I could not answer it.

Senator WILLIAMS. Must there not be behind this tariff law some capacity upon the part of somebody, somewhere, to prevent the natural operation of the natural law?

Mr. COWAN. It has been so all the time everywhere I have been. I do not know who does it, but somebody does it.

Senator WILLIAMS. Is not there a point somewhere that is just—in the first place they were telling you lies this morning; they told you that beef had not gone down, whereas you know it had.

Mr. COWAN. I took the advertisement of Swift & Co. out of the paper published here this morning to show that.

Senator WILLIAMS. Now, I will not interrupt you further. Go ahead.

Mr. COWAN. I will answer as near as I can along that line. I do not admit that it would go down; I do not say that it would not, but I want to refer to some illustrations to show that these things happen in the same way; for example, let me refer you to the case of shoes. Now, you said that testimony had been given here that showed that the price of shoes had gone down. Now, the evidence to me is in what I pay for the pair of shoes I buy.

Senator SMOOT. We have evidence on both sides.

Senator BAILEY. The evidence was that they had gone down to the dealer but not that they had gone down to the consumer. There is no evidence here that they were reduced to the consumer.

Mr. COWAN. I went to Mr. Edmonston's place and bought a pair of shoes and paid him \$7.50 for them.

Senator WILLIAMS. That class of fancy shoes does not go down.

Mr. COWAN. I am telling you what he told me. He took my money. I have paid \$7 for that shoe when hides were on the dutiable list during the time that the tariff debate was on, up here in the House. I asked him if shoes had not gone down since they put hides on the free list, and he said they had not, that they had gone up. He proved that they had gone up because he took my money. I have heard a number of people at Fort Worth say shoes are higher. I have never heard anybody say that shoes were retailing lower, and I am surprised by that statement.

Senator WILLIAMS. I am trying to get at the fact that there is a whole lot of robbery between the producers and the consumers.

Mr. COWAN. I admit that.

Senator STONE. Do you know whether leather is going up or down?

Mr. COWAN. I think that certain forms of leather have gone off about 2 cents a hundred. That is reported in the Bureau of Statis-

tics report to the effect that leather has gone off about 2 cents a hundred, for heavy leather.

Senator STONE. Is that because the duty on hides has been removed?

Mr. COWAN. I do not know about that. I do know that it has gone off about 2 cents a hundred. It may have been.

I am now going to another point, and in illustrating what I have said, and in endeavoring to answer you, Senator—and I have been endeavoring to answer you. I lived in western Texas when the Wilson bill was passed, and a large number of people were in the sheep business there. Their business went down to almost nothing. Wool went down to nothing. It is a fact that will be testified to, I believe, by everybody who is willing to tell the truth, that there was not one bit of change for the better, at least with reference to making clothes and blankets cheaper after the Wilson bill was passed to what it was before. Now, there must have been something wrong about that. I know they ought to have gone down a little, and perhaps the amount of wool in proportion to the amount of labor in the clothing was so small that, as to the leather or hide in the shoes, you could not find it.

Senator McCUMBER. Are you not really now getting down to the real reason for every one of these propositions, and that is the proportion or percentage of the tariff or the duty on the product, compared with the retail prices in the stores, is so inconsiderable that it should scarcely be taken into consideration?

Mr. COWAN. That might be the case in the case of manufactured articles, but I do not think it would in the case of beef, and the amount of reduction for the tariff would probably be only to the amount of the tariff, which is equal to half of ours.

Senator McCUMBER. Is their tariff only a cent and a half a hundred pounds now?

Mr. COWAN. A cent and a half is what they pay on fresh beef.

Senator McCUMBER. Oh, on the beef.

Mr. COWAN. Yes.

Senator McCUMBER. If the tariff was a cent and a half on the beef, as reported, it would be equivalent to more than half of that, or three-quarters of a cent, to retail it, would it not, as it is retailed—the same percentage if it was sold for twice as much on the block?

Mr. COWAN. Perhaps not, if you work it out in the form of percentages. Answering Senator Williams, I will say that it is not my contention that if we assume that the retail price to-day is correct and profitable on a given article that cheapening the cost of the article to the retailer would not find its reflex to the consumer, but my experience has been that it does not generally do it. Now, who, between the purchaser and the consumer, gets off with the swag?

Senator WILLIAMS. It is largely the Beef Trust, is it not?

Mr. COWAN. The Beef Trust gets a big profit, but I am talking about the price at which the beef in the carcass is sold, and after it passes from the Beef Trust it passes from them at 2 cents a pound less, and if they have anything to do with the retail price it is a matter that I know nothing about, but I think there is nothing in that at all.

Now, proceeding further. The price of cattle, we say, is now below the profit-making point. On page 1455 of the Monthly Sum-

mary of Commerce and Finance of the United States for February, 1911, issued by the Department of Commerce and Labor, there is shown the number of cattle and their value, native steers, Texas steers, and cows received and slaughtered at the Chicago market each week for the years 1909-1910 and up to and including March, 1911. From these figures it will be observed that the value of cows for the period given in 1911 ran about 50 cents per 100 pounds less than for the year 1909 and about \$1 per 100 pounds less than for 1910, and that the prices during the year 1910, up to the latter part of the year, for both native and Texas steer, would average about \$1 per 100 pounds more than during 1911 and the latter part of 1910.

These figures are furthermore interesting as showing the number of cattle slaughtered. It is shown that for the week ending January 15, 1910, there were received at the Chicago market 63,980 head of cattle, of which there were slaughtered at that time 35,593 head. For the week ending February 12, 1910, there were received 59,166 head, and slaughtered 31,989—and so on—about the same ratio.

Skipping now to the fall months of 1910, it appears that for the period indicated the receipts of cattle and the number slaughtered were as follows:

Week ending—	Head received.	Head slaughtered.
1910.		
Sept. 17.....	69,156	38,166
Nov. 12.....	81,711	¹ 50,601
Dec. 24.....	53,708	23,485
1911.		
Jan. 28.....	63,382	30,619
Feb. 25.....	58,256	31,929
Mar. 25.....	45,644	23,498

¹ The largest of any one week of the list.

It will be observed that native and Texas steers were valued as follows:

Date.	Native steers worth (per 100 pounds).	Texas steers worth (per 100 pounds).
1910.		
Jan. 1.....	\$8.50	\$7.00
Apr. 6.....	8.75	7.75
June 25.....	8.85	7.75
Sept. 24.....	8.30	¹ 7.60
1911.		
Jan. 7.....	7.10	6.60
Feb. 28.....	7.00	6.40
Mar. 4.....	6.95	6.50
Mar. 25.....	6.65	6.40

¹ After this date there was a decline in the market.

While these figures are averages and may be affected by the relative quality and classes of the cattle marketed in different months, yet the general decline is undoubtedly evidenced by these figures.

As shown by the Chicago Live Stock World, issued on April 20, 1911, under the headline "Disastrous Slumps in Values of Live

Stock," the April prices (April has always been a high month) of cattle on the Chicago market in 1910 and 1911 were as follows:

	1910	1911
Beef steers.....	\$7.55	\$6.00
Stockers and feeders.....	5.55	5.00
Fat cows.....	5.40	4.85
Heifers.....	5.30	5.00
Canners and cutters.....	3.60	3.00
Bulls.....	5.40	4.65

Did this cheapen beef to the consumer? If not, how can South American beef do so?

The decline and comparative prices of hogs is shown as follows:

	1910	1911
January.....	\$8.55	\$7.90
February.....	9.00	7.85
March.....	10.30	6.85
April.....	9.90	6.25

The comparative prices of sheep and lambs for April, 1910 and 1911, were as follows:

	1910	1911
Northern sheep.....	\$7.25	\$4.11
Western sheep.....	7.60	4.30
Northern lambs.....	8.10	5.25
Western lambs.....	8.65	5.40
Colorado lambs.....	8.65	5.70
Yearlings.....	8.00	4.85

We quote the following from the article referred to:

Declining values for all classes of live stock, under an imposing array of bearish features, featured the April trade. Except in the case of calves and sheep, receipts were not excessive as measured by the normal April marketing, but the consumptive demand for meat was at low ebb throughout the month and prices bumped during the closing week, the lowest levels that have been touched this year on cattle, calves, hogs, sheep, and lambs, and, for that matter, the lowest basis on most classes that has been recorded within several years.

It is further stated in this article:

Yet the demoralization of values of live stock, declines that took millions of dollars out of the pockets of the feeders, did not benefit, to any appreciable extent at least, the consuming public, retailers restricting the public demand by their rapaciousness.

And I set that out in detail in this paper, which I am not going to take your time to read. But you will find that comparing January 1, 1910, with January 5, 1911, native steer were worth \$8.50 a hundred—that was the best quality of native steer—the same quality of native steer in 1911 was worth \$7.10 a hundred. There has been a similar decline in all the markets. While these figures are averages and may be affected somewhat by the relative quality and classes of the marketed cattle for different months, yet the general decline is undoubtedly evidenced by these figures.

I then quote from the Chicago Live Stock World an article headed "Disastrous slump in values of live stock." The April prices—and April has always been a high month on cattle in the Chicago market—in 1910 and 1911 were as follows:

In 1910, beef steer, \$7.65; in 1911, \$6; stockers and feeders, 1910, \$5.55; in 1911, \$5; fat cows, in 1910, \$5.40; in 1911 \$4.35, etc.

The decline in hogs, January, 1910, hogs sold at \$8.55; in January, 1911, \$7.90; February, \$9; 1911, \$7.35; April, 1910, they sold for \$9.90; in 1911, for \$6.25. There you have a decline in cost of almost 3 cents per pound, and in cattle, as I have stated, of 1½ cents. Sheep declined even a greater amount than hogs and cattle. Northern sheep, in 1910, sold for \$7.25; the same period, in 1911, at \$4.11; western sheep sold at \$7.60 in 1910, and in 1911 at \$4.30, etc.

I quote from the article referred to as follows:

Declining values for all classes of land stock under an imposing array of bearish features featured the April trade. Except in the case of calves and sheep, receipts were not excessive as measured by normal April marketing, but the consumptive demand for meat was at a low ebb throughout the month, and prices bumped during the closing week; the lowest levels that have been touched this year on cattle, calves, hogs, sheep, and lambs, and, for that matter, the lowest basis on both classes that has been recorded within several years.

Further quoting from this article, an interview with Senator W. A. Drake, of Colorado, with regard to the disastrous feeding of stock, the statement is made:

This has been without a doubt the most disastrous feeding season in the history of the industry in Colorado. I have a vivid remembrance of trade conditions covering the 20-year period that I have been in the game. Colorado-fed lambs thus far marketed have lost to their feeders close to \$1.25 per head, and I know of stuff that has been cashed in at a loss of over \$2 per head.

The stock journals of the country are full of similar statements, and it is a matter of such common knowledge that further reference thereto is unnecessary.

Now, we say that it is below the profit-making point, and yet these prices which we are getting to-day are prices which we got 10 and 15 years ago. They were profitable at that time, but we have had such a vast change in conditions under which the production is made that it in part accounts for the loss that is entailed by producing cattle and other live stock at a given price to-day, at a loss which turned out a profit 10 or 15 years ago. May I ask at what hour the committee is to adjourn?

Senator SMOOT. We would like to adjourn at 1 o'clock if we can.

Mr. COWAN. That would suit me, but I would like to go on this afternoon. I would like to reach the points as they come in the order in which I have prepared them.

Senator STONE. Have you reached the point where you would like to stop now?

Mr. COWAN. I think so. It is near 1 o'clock, and I have reached the point where I would like to stop until the committee reconvenes.

Senator SMOOT. Mr. Chairman, as Mr. Cowan has reached the point where he would like to suspend his remarks, to be continued at our next meeting, I move that we adjourn.

The CHAIRMAN. Perhaps we will get through sooner in the Senate than we expect, and can go on this afternoon.

Senator SMOOT. I then move that we adjourn until half past 3 o'clock, and if we are through in the Senate we will come back, and if not we will send word to the committee room and adjourn until 10.30 a. m. to-morrow.

The CHAIRMAN. Or they can wait until we do get here. It may be 4 o'clock.

Senator WILLIAMS. I would like to have this go into the record. In this volume, entitled "The Report of an Inquiry Board of Trade of London," after examining 28 towns and comparing them with the British prices, this language appeared on page 63:

In most of these cases internal conditions made the range of prices of beef and dairy produce of the United States somewhat higher than in England and Wales; but the most significant fact with regard to relative prices of beef as between the two countries is not so much that they are now on the whole slightly higher than in England, but that there has been a large advance from the relatively low level at which they stood only a few years ago.

I just desire that incorporated in the record in connection with your remarks.

(The committee thereupon took a recess until 3.30 o'clock this afternoon.)

(The Senate being in session at 3.30 o'clock p. m., the committee announced adjournment would be had until 10.30 to-morrow morning.)

HEARINGS ON THE TARIFF

BEFORE THE

COMMITTEE ON FINANCE

OF THE

UNITED STATES SENATE

ON

HOUSE BILL 4413

SIXTY-SECOND CONGRESS

SECOND PRINT No. 3.

TUESDAY, MAY 16, 1911



WASHINGTON
GOVERNMENT PRINTING OFFICE

1911

COMMITTEE ON FINANCE.

UNITED STATES SENATE.

BOIES PENROSE, *Chairman.*

SHELBY M. CULLOM.	JOSEPH W. BAILEY.
HENRY CABOT LODGE.	F. M. SIMMONS.
PORTER J. McCUMBER.	WILLIAM J. STONE.
REED SMOOT.	JOHN SHARP WILLIAMS.
JACOB H. GALLINGER.	JOHN W. KERN.
CLARENCE D. CLARK, of Wyoming.	CHARLES F. JOHNSON, of Maine.
WELDON B. HEYBURN.	
ROBERT M. LA FOLLETTE.	

H F 1756
A3
1911

HEARINGS ON THE TARIFF.

COMMITTEE ON FINANCE,
UNITED STATES SENATE,
Washington, D. C., Tuesday, May 16, 1191.

The committee met at 10.30 a. m., Hon. Boies Penrose in the chair.
Present: Senators Penrose (chairman), Lodge, McCumber, Smoot, Gallinger, Heyburn, La Follette, Bailey, Simmons, Stone, Williams, and Kern.

The committee thereupon proceeded to the consideration of bill H. R. 4413.

The CHAIRMAN. The committee will be in order. Now, Judge, if you will continue your remarks.

Mr. COWAN. Gentlemen of the committee, I have made a point that the higher price of grazing and farming lands has an effect in the expense of stock raising. There has been an enormous advancement in the value of land in the last five years, which is well known to everyone. Lands that were worth \$100 per acre are now worth \$300 and upwards in the Southwestern States. Lands to-day are worth double the amount of money, and in the districts where farming has progressed far enough to demonstrate what can be raised lands have increased in value far beyond that. Of course, the investment in land necessary to produce cattle must be taken into consideration, just as well as investment in any other business, as everyone knows. I think the farm lands throughout the vast farming districts in Texas, Oklahoma, Kansas—going right on up through that country between the Missouri and the plains country, clear on as far as you want to go—have gone up from 55 to 150 per cent in the last 8 or 10 years. Of course, we know they have doubled in the State of Illinois almost within 10 years.

Senator CULLOM. Will you tell us whether you think there is a slacking of the rate of increase of land value in the last few months?

Mr. COWAN. Yes, sir; there has been quite a slacking in Texas. I am not so familiar with other States. In the best farming districts of Texas, probably due to the fact that we have had two years of bad drought, which crippled all land values, and, indeed, take in the Panhandle, where people from the Northern States have been going to buy lands, the dealing in them has practically stopped during the latter half of last year, but I would not say that the price at which people held it actually declined, but the dealing stopped. In southwestern Texas I believe that has not been the case, but Mr. Lasater is very familiar with conditions down there, and he can tell you better than I can.

Senator CULLOM. I was under the impression that the price of land had got about as high as it could afford to go and get anything of value off of it.

Mr. COWAN. I am under the impression that that is the case in our country; we believe that to be the case.

Senator CULLOM. I think it is so all over the country to an extent.

Mr. COWAN. I lay it down as a fact which can be substantiated by as many cattle raisers and feeders as the committee may desire to call upon, that the present market prices of cattle sold for slaughter do not warrant a continuance in the business, because it does not yield the profit at those figures, nor a return upon the investment of the money in the land, plant, and cattle and feed that is necessary in order to carry on the business. Of course, this statement is no doubt subject to many exceptions, because individuals may be situated there who, by reason of peculiar circumstances and surroundings, may make sufficient profit where the majority of men engaged in the business fail, and whatever may be said with respect to any general rule is subject to those exceptions; but it is a fact that should be constantly borne in mind, that prices which the people are receiving to-day will not yield a profit to induce any man to go in the business, to increase the production of live stock in this country. In an extensive acquaintance throughout the State of Texas, and in eastern New Mexico, and somewhat of an acquaintance in Arizona, at least an acquaintance with the men, and in Colorado and western Kansas, I know of not a single instance within the last two years, notwithstanding we had the highest-priced cattle a year ago that we have ever had—I do not know of a single instance in which any new money has been put into the cattle-raising business in the way of acquiring a ranch for the purpose of going into the business.

I have known of ranches changing hands, a man selling out in one place and buying in another, continuing in the business, but so far as there is any money seeking investment—and that ought to be very good evidence of the fact that the expenses of the business, the amount of money interested in the investment, and the chance of profit are not attracting the capital, whereas there are large investments in the farming business, investments in the way of lands being put under irrigation and in the development of the great southwestern country in Texas, where lands are being cleared up and put into various sorts of crops.

Senator McCUMBER. Is not one of the reasons for that the fact of the increase in the land values, so that it is less profitable to herd cattle upon such lands?

Mr. COWAN. Yes, sir; that is just the point I am making. Now, it is a fact that we have reached that point. We have the land values, and you can not run the cattle business except by dominion over the land.

I will say this to this committee, as I said to the committee on the high cost of living, and which ought to be taken into consideration by every Congressman and Senator who desires to proceed along the line of conservation of the public resources of the country: The only cheap land in the United States to-day that could be acquired for the purpose of breeding cattle in a range country is the public lands of the United States, useful chiefly for grazing cattle, lying

in that great belt of country in New Mexico, Arizona, Colorado, Idaho, Montana, and Wyoming, and a little in western Kansas and western Nebraska, which on account of the public land laws in the United States can not be utilized for the purpose of breeding cattle, for the reason that you can not acquire dominion over the land for that purpose, because you have to fence in order to run cattle on the land, and while the law as construed permits you to graze your cattle on the land, the circumstances will not permit you to do it for the reason that everybody else has the right to do the same thing, and a man may come in with his herd of sheep having an equal right to graze his sheep; he does not require a fence; he can not practically use it, so he does not violate the law of "unlawful inclosure" by grazing his sheep and herding them; neither would a cattleman by herding his cattle, but you can not breed cattle that way. Of course there are isolated instances, a good many of them, whereby by reason of the situation of streams, hills, valleys, mountains, and the like, cattlemen do run business upon public land, but it is a comparatively small business, and in all such cases is wasting the grass and turf. The Government of the United States ought to do what Texas did with its public lands; classify and lease them for the purpose of running live stock at the least possible rental, and give a man dominion over a district sufficient to carry on his business at the very lowest figure, not with the view of the Government making money, but building up the business throughout that country. I say that it is a fact, and in many instances it has been demonstrated, notwithstanding the repeated abuses, it has been demonstrated under the management of the forest reserve, that not only cattle, but sheep, can be more successfully handled in that way; of course there are many abuses, no doubt, in that particular, but the principle of the thing is, so far as cattle raising is concerned, a man can not do it except by having dominion over the land. The only place that cheap land can be had for that purpose in the United States to-day is the public land of the United States, and that is not being utilized as it might be if the men had dominion over it.

Senator HEYBURN. When you say "public lands," you do not include the forest reserves?

Mr. COWAN. No, sir; I am not talking about any reserve—unappropriated public land.

Senator SMOOT. The Forestry Service has nothing to do with that land—

Mr. COWAN. Not at all. I am speaking of a fact, where the Forest Service has given a man dominion over the land, there are a great many instances where he has fared a great deal better, because other people are kept off—

Senator SMOOT. That is what I started to say, that the Forest Service has no right to give you dominion over any land outside of the forest reserve.

Mr. COWAN. Not at all.

Senator HEYBURN. Do you advocate the propriety of the Government giving any man dominion over any land outside of the Forest Service, in order that he may use it?

Mr. COWAN. Undoubtedly.

Senator HEYBURN. By what process would he acquire it?

Mr. COWAN. Without going into details, do it practically as Texas did: lease its public lands and develop the country and develop the cattle-raising business by doing that.

Senator HEYBURN. Would you withdraw it from settlement?

Mr. COWAN. No, no. I would not want now to take the time of the committee—

Senator HEYBURN. The committee has time enough to get at these facts. Now, I want to know, as we go along, would you allow settlers a special right to use the land?

Mr. COWAN. Oh, yes.

Senator HEYBURN. Let the man take his chances with the cattleman?

Mr. COWAN. Absolutely.

Senator HEYBURN. Would you allow him to acquire title for the land for farms in the midst of this great range?

Mr. COWAN. Yes, sir.

Senator HEYBURN. Giving the cattleman exclusive right to the range?

Mr. COWAN. Not exclusive rights, but give the settler an equal right with the cattleman when he gets in there; that is, equal to the extent of his holdings; give him the preferential right to lease enough to carry some cattle. We did that in Texas; and I see Mr. Gardner sitting over there, and he went through it for years. Senator Bailey knows it. We worked it with absolute safety to the settler—the man who acquired his homestead—and to-day the development of the great western Texas country is owing more to that policy than to anything else.

Of course, this was a mere diversion here. Speaking of land values, I do not want to go into the subject, but at some time when time will permit I should be glad to do it.

Senator HEYBURN. I think it was quite incidental to the subject under consideration.

Mr. COWAN. I think so, too; but it is only by way of illustration that I was pointing to the fact that it can be successfully done, and of course it takes a great deal of detailed study and thought; but Texas has done it so successfully that the United States could do it just as well. And it seems to me, therefore, that it would be so much better to undertake that great development of the country in some sort of fashion than to invite importation from Mexico or Canada or South America to take the place of what we already produce.

Now, some of the causes of the decline in the value of cattle: It must be remembered we produce a surplus. I have often heard it remarked, and it has been repeatedly adverted to in the House, in debate, and it has been adverted to in newspapers, that we are reaching a time when we are not going to produce a sufficient supply for the people of the United States, and therefore we must open our country to importations. That is based upon a mistaken premise. Of course we do not have, as I said yesterday, the census reports of what the actualities are to-day; we only have estimates, and we can not postpone the argument of the subject to await until we get the census reports, and it may show us some surprising things; but if the estimates which have been made by the Census Bureau in connection with the Agriculture Department from year to year up to the 1st of January, 1910, are correct, then I lay it down as a proposition that we are producing a material and substantial surplus to-day, notwithstanding our increase in population.

Senator BAILEY. What is the per cent of the meat supply exported annually, Mr. Cowan?

Mr. COWAN. The percentage of 1900 was about 12 per cent—11.88 per cent—estimated by the Agricultural Department in the pamphlet, Bulletin No. 55, to which I referred yesterday. Now, I will soon reach that point in the figures here. Answering your question, we are exporting to-day about one-fourth of what we did then; to put it in the form of live animals, or the equivalent of live cattle, we exported in 1900 1,800,000 head, or thereabouts—just a little over. In 1910 we exported the equivalent of 350,000 head, so we were exporting in 1900 on that basis a million more cattle than we export to-day, either on the hoof or in the form of the dressed product, adding the two together and giving it in the equivalent of live cattle.

Senator BAILEY. Mr. Cowan, I do not want to interrupt you, if it is an interruption—

Mr. COWAN. No; it does not interrupt me. I am very glad to answer anything I can.

Senator BAILEY. If we are increasing our per capita production of meat, and yet decreasing our exports of meat, it must be that we have either enormously increased our consumption of meat per capita or else we are accumulating a surplus here that must enormously reduce the price sooner or later.

Mr. COWAN. Well, it is extremely difficult for us to reason out those things in the absence of exact census returns. My reasoning might prove faulty for the want of a correct premise.

Senator BAILEY. Mr. Cowan, the statistical abstract exhibits a curious state of affairs. It shows that the cattle outside of milk cows in the United States in 1890 were 36,000,000 head in round numbers; in 1900, 27,000,000 in round numbers. Then in 1901 the number rises to 45,500,213. I know that is the result of some revision of figures—

Mr. COWAN. I will tell you where that was, Senator. I have come across that myself. The statistical abstract for 1900, which was the year in which the census was taken, puts down an estimate which was of the 1st of January, 1900. Bear this in mind, that this statistical abstract gives the estimate of the 1st of January of the given year. For example, our statistical abstract now comes down to 1910. That does not mean December, 1910; it means January, 1910. An inquiry of the Agricultural Department has brought us this information, that they are declining to make an estimate now until they get the census, and that doubtless is for the reason that when they made their estimate in the year 1901, which was the 1st of January, 1901, it showed 45,000,000 of cattle, or something like that. Now, the previous year showed only 27,000,000, which was an estimate. In other words, 1901 was the exact census figures, whereas the 27,000,000 was an estimate based upon some sort of a system beginning back in 1890, and it shows how erroneous they are. The trouble with that is that in 1890 the number given was 36,000,000; in 1892, 36,875,000, and according to this statistical abstract we had some 9,000,000 less cattle in the country in 1900 than we had in 1890. Which, of course, I think is erroneous—just look at the next year, 1901, and you will see that we had 41,000,000 cattle.

Senator BAILEY. I understand this is not exactly germane, but I was wondering if the difference in January was not accounted for

by the fact that they did not have the calf crop, and in July, or the 30th of June, they had. If it just reversed it, I could have understood that that might have explained it, but the truth of it is they went to January from July, and have more than before.

Mr. COWAN. The stockmen of the country have realized that this estimate of the Agricultural Department, when it proceeds very far from the census date, is utterly unreliable for any business purposes, and therefore the live stock organizations of the country have insisted on taking the census every five years, and we now have a law to do it, which was enacted, I think, last Congress. Now, we take the census of live stock every five years, so we can get somewhat accurate information. I believe that Senator Smoot is acquainted with the agitation they had at Denver in the National Live Stock Association meetings about that, and I think that Mr. Bailey and Mr. Gardner were both instrumental in the passage of the bill through the House and Senate.

Senator SMOOT. How many cattle did you say we had on January 1, 1910, other than milk cows?

Senator BAILEY. This does not give it. This gives 1909; there is a later report.

Mr. COWAN. I have all those figures. I will give you them in proceeding.

Senator SMOOT. The figures I have here show 47,279,000.

Mr. COWAN. That is the estimate; that is on the 1st of January, 1910.

Senator SMOOT. That is the date I mentioned. Mr. Cowan, along that line you stated we had a surplus, and I notice in the exports of domestic products for the years 1907 down to 1911 that our exportations of cattle, hogs, and sheep in 1907 were \$27,811,737, and in 1911 only \$9,291,622, about a third in 1911 of what it was in 1907.

Mr. COWAN. I called your attention to that yesterday, to these very figures, that our exports have simply gone to nothing. My object in the whole proceeding here is to develop the true state of facts and the cause. I say it lies in the fact that Argentina has taken the trade in our export cattle and beef, and we can not meet the competition, though Canada can and is meeting it.

Now, let me proceed with regard to the matter of the causes of the decline.

We exported of beef cattle to the United Kingdom for the eight months ending February, 1911, 69,892 head, against 109,181 head for the same eight months in 1910, and against 127,845 for the same period in 1909, and we exported fresh beef to all countries for the same eight months, 1911, of 28,000,000 odd pounds, against 55,000,000 odd pounds for the same period in the previous year and 90,000,000 pounds for the same period in 1909, and the exports of canned beef show a large decline. Our total exports of bacon for the eight months ending February 11 amounted to 93,000,000 odd pounds; for the same period in 1910, 121,000,000 odd pounds; and for the same period in 1909, 168,000,000 odd pounds.

The exports of hams and shoulders amounted to about the same, showing also a corresponding decline in the product. Exportations of fresh beef for the month of February, 1911, were 2,298,000 pounds, against this 6,354,000 pounds for the February of the previous year.

We exported for February, 1911, 746,000 pounds of canned beef, against 1,469,000 for February, 1910, and we exported in February, 1911, 8,725 cattle against 15,000 head for the same period in 1910.

There can be little doubt, however, that the decrease in the prices will result in the greater exportations of cattle and dressed beef.

Now, I say that if our decreased prices reach a point where we can compete with the prices that Argentina, and I may say Australia, New Zealand, and other countries have established in London, if we can meet those prices we can export again.

It is a universal law of trade that inability to dispose of a surplus stagnates the market and reduces the price of the product. If the retail price of meat should be reduced by the same per cent as the price of live stock and as has been the wholesale price of the finished product, there could be little doubt that home consumption would be so stimulated as to relieve the present situation in a comparatively short time, at least so long as the laborer of the country is continued at present wages and the purchasing power of the people be not reduced.

As it is now the only relief that would apparently be found from the low prices would be that which would flow from stopping production. Who is going to put cattle on feed in Texas, in Colorado, in Kansas, in Iowa, when the experience of every feeder during the last six months is that he has lost from \$10 to \$15 a head? That will result in a lessened production of meat, and that may relieve us from these low prices, and we are sure that it will, and the low prices will come up again. Now, if at the same time the retail prices should, by any happy legerdemain, be reduced and the consumption be stimulated, then the two factors working together might bring prices up rapidly. And, again, if meats in London should increase 1 cent or 2 cents a pound, our exportations would immediately flow there to take the place of, or come in competition with, the other meats. But we can not expect to export to London for the reason that, according to the best information obtainable, and as shown in certain pamphlets published by the Agricultural Department, one of which I introduce in evidence, and the other of which is entitled "Trade Development in Argentina, Special Agent Series, No. 43," issued by the Bureau of Manufactures of the Department of Commerce and Labor, and edited by James Davenport Whelpley, commercial agent of the Department of Commerce and Labor, 50 per cent of the output of the Argentine Republic, in the way of dressed meat, including the chilled and frozen meat, is handled by the Chicago packers. They are supplying their London trade from their acquisitions in Argentina, because they get it cheaper. As I stated yesterday, and will show later on, their exports of live cattle to their abattoirs, where they kill them themselves in England, to supply their trade of that character, are being made nearly altogether from Canada.

Senator LA FOLLETTE. Will you please repeat that statement about the percentage?

Mr. COWAN. This pamphlet to which I have referred states that it is so understood, and I know that Armour has a plant there, and a man went from Fort Worth down there to manage it. I know that Swift has a plant there. This man says that Schwarzschild & Sulzberger have a plant there, either owned or leased, and it must be remembered that as the statistics, or, rather the statement, of Mr. Mumford which I read yesterday, or Mr. Rommel, I forget which, was that the total

killing capacity of the River Plata factories was one-third of the capacity of the world. That would give the packers in Argentina control of one-sixth of the entire world capacity in the output of beef. The trouble about the whole matter, I fancy, when they put the meat upon the free list, was that the people who did it did not know these facts, for I can hardly believe that if they did they could expect anything else than great injury to the cattle industry of this country, with probably no consequent benefit to the public.

As I say, they are supplying their London trade; they are not losing their trade, they are supplying it. Having introduced themselves, as the records show, the increase in chilled beef—that is, refrigerated beef that hangs on the hook in so much better shape to use—they are supplying their trade from Argentina, and they are supplying the cattle which they kill on the hoof in England from Canada, and this country is bottled up with no chance to put any meat out to anybody. And yet gentlemen tell us that we ought to bring Canadian cattle in here free and slaughter them here in Chicago, when you can not put it back to Canada in the form of the product without paying a cent and a quarter a pound upon it. No argument is needed to show the absurdity of that proposition.

Then take Mexico, right down the coast below Brownsville and back to the foothills, where there is as fine cattle-grazing country as there is in the world. I have it from three gentlemen with whom I am interested in the purchase of 200,000 acres of land down there, Col. Ike Pryor, who was president of the Trans-Mississippi Congress; Mr. W. D. Reynolds, a large cattle grower of many years' standing, and living at Fort Worth; and Mr. John Scarber, a large cattle grower, that they have never seen as fine grazing land, with a finer range, than the 200,000 acres of land we bought, and that in January and February the cattle were rolling in fat, with no market in which to dispose of them. They are shipping back their cattle from Mexico to-day to Fort Worth and slaughtering them and paying the duty.

Senator STONE. From whom did you buy that land?

Mr. COWAN. It is known as the Morales Ranch, and we bought from a family by the name of Sarro, through Fernandez, who is the cashier of the bank at Brownsville.

Senator STONE. Where is it located?

Mr. COWAN. One hundred and sixteen miles below Brownsville, north of the Soda Marena River.

Senator STONE. I beg your pardon. I understood you to say up in the Black Hills.

Mr. COWAN. No; I said back to the hills from the coast. I have some considerable interests in Mexico—at least I think I have—and I rode a mule 30 days, going first on stage 60 miles, then on a mule's back 175 miles, clear across to the Pacific coast, and I have never seen a finer grazing country than that in my life, and I have been over most of it—unused, plenty of water, altitude high enough so that you are not bothered with the ticks, land at that time which could have been bought at 16 cents an acre, and to-day I am satisfied that it can be bought at 50 cents an acre, with the country surrounded by labor, people who have been raised in the saddle, who know how to handle a rope and a branding iron, and they are typical cowboys, if properly managed. There is no country in the world, I dare say, where you can breed cattle cheaper than you can breed them in

Mexico. Take that district of country 400 miles south from El Paso and draw a line across the continent, from the Gulf to the Pacific, and you will have a territory as large as the grazing part of Texas, west of the one hundredth meridian, New Mexico, Arizona, and the southern half of California, and they can produce and raise cattle, I believe, for one-half of what you can produce a calf for in this country.

Senator CLARKE. What is the class of cattle, and do the classes vary materially?

Mr. COWAN. Just as it has been in the Great King Ranch of southwestern Texas, scrubs. Mr. Cleburg, whose brother was in Congress—many of you knew him—has brought up that herd of Short-horns until he has one of the finest herds of cattle in the country.

Senator BAILEY. It is the finest in the world for the number of it.

Mr. COWAN. And right along those lines all of those cattle in Mexico can be brought up in the same manner.

Senator LA FOLLETTE. The cattle on the Hurst Ranch are very fine cattle, are they not?

Mr. COWAN. I am not familiar with that. In California, you mean?

Senator LA FOLLETTE. No; in Mexico. They have a very large ranch there.

Mr. COWAN. There are several herds of cattle in Mexico which sell in competition with ours. There is the Morales Cattle Co., just south of El Paso. Their yearlings are all brought in and pay the tariff and are sold in competition with the yearlings produced in Texas. I am mentioning this not because you are proposing to put cattle on the free list in Mexico, but if the underlying reason which has been urged as the foundation for putting meat on the free list and bringing Canadian cattle in free is a good reason, it is a better one to apply to Mexico. What will happen when you do this? You will stop the cattle breeding in this country. You will have transferred to foreign countries the production of our meats. The proposition coming from the Ways and Means Committee of the House, as I understand it, is that what we eat ought to be brought in the cheapest way possible. I say that is an incorrect principle. What we eat we are entitled to buy as cheaply as we can, provided we do not force the farmers and the producers of this country to make it without profit.

Senator WILLIAMS. Do you know much about the cattle-raising industry in Great Britain?

Mr. COWAN. Nothing at all.

Senator WILLIAMS. It has not been killed there, has it?

Mr. COWAN. Oh, no. I looked at the statistics to see the number they have. I think they carry about ten or eleven million cattle; that is my recollection.

Referring to Commerce and Finance of the United States, issued February, 1911, it will be observed that the price of hides has declined from 3 to 4 cents a pound since the passage of the Aldrich bill. I referred to that yesterday. That is another factor in reducing the value of cattle, that during the last year a decline has taken place in hides which will amount to \$2.50 to \$3.50 per hide, and that is a fixed, certain factor in the reduction of values. Another thing

is, oleo has declined, because we had a prohibitive tax on it. It is said that Congress, of course, would not pass a law that would be class legislation, segregate out one class of people from another to suffer; but when they put the prohibitive tax on the use of colored oleomargarine that had a tendency to take away the value of a beef animal it is supposed from 50 to 75 cents a head. I could not prove that, but that is the general impression.

Senator McCUMBER. To compensate that does it not put an extra value upon the butter-producing cattle?

Mr. COWAN. The man who produces oleo does not produce butter.

Senator McCUMBER. That is true; but the farmer generally produces both.

Mr. COWAN. I do not know; it puts an extra value on the butter.

Senator McCUMBER. Possibly there are very many more farmers engaged in selling butter than there are engaged in raising stock for sale.

Senator WILLIAMS. Oh, yes; there are a great many more farmers producing hay than there are producing cotton, but that would be no reason for passing legislation to hurt the man producing cotton to benefit the other.

Senator McCUMBER. I would not be in favor of such class legislation.

Mr. COWAN. It may be that the expenses of the retailer's business have come up to the point where he can not sell as cheaply. That is a fact, too. We have reached a condition that we have to consider, and among the things which tend to produce a surplus and prevent consumption is the fact that the people have to pay high prices for meats, and, of course, they use less of them. The retailers have gone on to a plane that it makes it cost so much more money than it used to. I do not know of any rich butchers. They do not seem to be making money; much more than a living. The man who sells me beef has the largest butcher shop in Fort Worth—or as good as others—and he tells me that he is not making any money more than just a living. But he keeps a corps of men. Their rents have gone up. That is another thing. He is paying \$100 a month more for his butcher shop than that same place rented for five or ten years ago. How can we help those things? They are facts. We have reached a point where we can not sell things cheap, and I do not believe the consumers of this country who have thought intelligently about it and who themselves are producing, by their labor or their thought, the things that other people buy can expect live-stock producers and farmers of this country to make stuff that they can buy that does not produce a profit to the man who produces it, and I say, therefore, there is no merit, logically, in the proposition that what we eat should go on the free list. Perhaps it ought; but not if it prevents us from making a profit in the production of it. I am speaking now of those things of which we produce a sufficiency for the country, and I am confining my argument to that. I would not want to be met with the argument, which I have heard made about Washington, that you could put a tariff high enough on bananas that people could raise them in hot-houses. Of course, that is proceeding to the point of absurdity. I am speaking of those things where we are producing all that the people can consume.

Senator McCUMBER. Just as to this matter of oleomargarine, I understood you to make the point that the oleomargarine is being taxed, and therefore there is a preference of one class of farmers against another. Is the uncolored oleomargarine taxed?

Mr. COWAN. No, sir; and everybody knows the reason they did not do that.

Senator WILLIAMS. Do they tax colored butter?

Mr. COWAN. No.

Senator WILLIAMS. Do they tax the man who makes his butter yellow in order to make it appear like June butter?

Senator McCUMBER. Whether butter is colored yellow or any other color it is sold for butter; but when oleomargarine is colored yellow it is not sold for oleomargarine, but it is sold for butter. Butter is sold for what it is without reference to the color; the other is sold for what it is not.

Senator WILLIAMS. Is colored butter sold for what it is or for what it is not? Colored butter is sold for what it is not, is it not—June butter?

Mr. COWAN. You can not prove much by me in regard to the butter business. But I say this: That when the people bring butter in from the country to the stores in Texas in the winter time, when they feed the cows on cotton seed, the butter is about as white as snow, and no merchant supposes he can get the same price for it as he does for the nice yellow butter that is colored, although made from the same cows, fed on cotton seed.

Senator McCUMBER. He knows he gets butter in each instance, does he not?

Mr. COWAN. Yes. But the white butter will not sell like the yellow. We all know what the object of putting the tax on the colored oleo was. We know what the professed object was—to prevent fraud. The real object was to prevent the oleomargarine being manufactured and sold. I went all through that fight, and these dairymen gave us an awful whipping. Senator Williams was on the Agricultural Committee when they passed the Grout bill, and they laid us out. They were the smartest men I ever saw. I wonder they are not here fighting this bill, because they are the smartest men I have ever seen, not excepting the shoe men; because they were always consistent, while the shoe men were not; they got themselves mixed up. But I mention the fact that everything is being done that can be done to reduce the intrinsic value of live stock.

Let me point you to this fact: Most of Europe takes our bread-stuffs. They take our lard. France will take our tallow, but she will not take any bacon or hams or meats. We are bottled up on fresh meats and cattle, except to England, and Argentina and Canada has that trade. Now, it looks as though Congress ought to undertake, if it can, to give the President the power to see, while he is in the treaty-making business, if he could not make some arrangements whereby, in consideration of taking the tariff off brass jewelry, gewgaws, and the like that are produced in Germany, France, and Austria, we be permitted to sell them a little good meat, which they do not get, because the tariff is so high we can not get in there.

Senator WILLIAMS. If we did that, would not the gee-gaw and jewelry men be here to say they would be completely put out of business?

Mr. COWAN. I think we could skin them; there are not enough of them.

Senator WILLIAMS. It comes on down to a question of whether the fellow is little enough to be skinned or not, after all, does it not?

Mr. COWAN. It is a good deal that way; there is a lot to that.

But still, when we come to the reciprocity proposition, we ought to get some of the benefits of it. I think it has been thought of very much that we have simply been bottled up on our meat trade. The high tariff on manufactured articles keeps us from getting into continental Europe, and here we are producing a surplus, and yet it is desired by this bill to let them come in from all the world and dump these meats on us.

In 1909 Canada exported 143,661 head of cattle to the United Kingdom, and in 1910, 140,421, as against the exportation from the United States to the United Kingdom of one hundred and eighty-five thousand odd in 1909 and 122,000 in 1910. In 1908 Canada exported to the United Kingdom 124,000 head, and the United States that year exported 294,000. That demonstrates that Canada was selling her cattle cheaply enough to compete with the Argentina beef in England, while the United States was not, and I say we can not. In a pamphlet published April 1, 1910—I am now referring to a pamphlet which I had yesterday that some Senator asked if he could borrow to have printed, and since yesterday I have the permission of the gentleman from whom I borrowed it to lend it to the committee if it desires it.

The CHAIRMAN. The understanding is that Senator Bailey is to have that printed as a public document.

Senator BAILEY. I will ask that it be printed without the illustrations, because they are difficult and expensive, and, as I understand it, the illustrations would add nothing to the value of the information.

Mr. COWAN. I think not.

Senator BAILEY. Mr. Chairman, have we not the right here, under our permission, to have that printed?

Senator SMOOT. We can have it printed as a document for the committee.

The CHAIRMAN. Perhaps not as expensive and perhaps just as well, and the clerk will order the copy printed.

Senator BAILEY. I will ask you to give that to the clerk.

Mr. COWAN. I will, after I get through using it, if you will allow me to use it before turning it over. This pamphlet takes up every Province in Canada and goes extensively into the whole subject in detail of the production and raising of cattle, and it will open the eyes of men whose eyes ought to be open and who would like to have the information. As I said yesterday, after reading that document, I changed my mind with regard to the danger to this country in opening its markets to Canadian cattle—I mean the danger to the cattle business in this country. I quote a few excerpts. At page 109 this significant statement is made:

A careful study of the statistics shows that the export trade of beef to Great Britain is rapidly shifting from North to South America, and if present conditions continue—

That is April, 1910—

It will not be long before the United States will cease to be a competitor of Canada and Argentina in the British market.

In the same pamphlet are shown in great detail the advantages for breeding, raising, and fattening cattle in Canada. It appears that they possess many advantages over cattle raisers of the United States, particularly in cheaper land, more nutritious grazing, cheaper feed stuffs, and a less labor cost. The capacity of the country to finish its cattle is thoroughly dealt with. It is shown it is practicable and profitable, and that the finishing of cattle for market is being more extensively practiced from time to time. We must remember there was a large influx of population into western Canada, and that will continue. It results that the farmers have a lot of waste stuff that, unless they feed it to cattle, they can not utilize, and with hundreds of thousands of people going in there, they seek for a method of disposing of that, and fertilizing their land, as many of them have moved from Minnesota, Iowa, and the Dakotas, they know the value of having cattle to run on their land, and that is all mentioned here. They have a large amount of frozen wheat, of oat straw, and they can cut hay almost anywhere. They can grow alfalfa successfully. So that it becomes a profitable business. They already have their labor, as every season is short for seed time and harvest; their labor is simply there to be utilized for the purpose of raising and feeding cattle, and there is certainly reason to believe that it will become more and more a competitor of this country as that country settles up. It is true that statistics show—and it is mentioned here—that the Canadian herd has not materially increased, but these new conditions will make it profitable to do it, and, furthermore, as the cost of production in the United States increases and we are cut out of the English market and Canada can go there, the temptation to go into that business will undoubtedly follow, and as wheat reduces in price—and it seems it has been on the downward trend for the last two or three years, or last year, at least—naturally they would seek a diversity of farming, if they can.

Senator WILLIAMS. I would like to ask you a few questions with regard to competitive conditions that exist between Texas and Canada. First, one factor entering into the problem is the price of land. Is Texas land much higher than Canadian land—than land in Ontario, for instance?

Mr. COWAN. I have no information. I have heard statements made about the price of Canadian land, but I have no information about it, and I would not want to indulge myself in that. It is generally said to be cheaper.

Senator WILLIAMS. Let me ask you about this. Is labor any higher in Canada than it is in Texas?

Mr. COWAN. I do not know. I would not want to say that it is. I have heard it said that you could get men there cheaper than you could in the United States, but I do not know whether that is true or not.

Senator WILLIAMS. I am talking about Texas now. Is there anything for forage or for grass that Canada can grow and feed cattle upon that Texas can not grow?

Mr. COWAN. Texas can grow all kinds of grasses, but it does not grow the same grasses that are grown in Canada.

Senator WILLIAMS. It does raise magnificent alfalfa, does it not?

Mr. COWAN. Not very much.

Senator WILLIAMS. I saw some out there that looked mighty fine to me.

Mr. COWAN. Let me answer you there this way: We can not mature our cattle on the range in Texas without feed, generally speaking, to finish them.

Senator WILLIAMS. That brings me to another matter. Another element entering into the cost of cattle is shelter and housing. Can the Texas cattle be left unhoused and unsheltered as long during the year as they can in Canada?

Mr. COWAN. If they can be left in Canada unhoused at all, it would be as long, of course. They are left unhoused in Canada in great herds, but occasionally a hard winter comes along and kills them.

Senator SMOOT. There are no range cattle in Canada that are housed.

Senator WILLIAMS. So that you can not say the cost of labor is higher in Canada than in Texas?

Mr. COWAN. No; I would not attempt to make any statement about that.

Senator WILLIAMS. You can not say the price of land is higher in Ontario than it is in Texas?

Mr. COWAN. I guess it is.

Senator WILLIAMS. And you can not say it costs any more to shelter cattle in Canada than it does in Texas?

Mr. COWAN. If you shelter them at all it probably would cost as much to build the shelter one place as another, but I would suppose it would cost a great deal more in Canada; I do not know.

Senator WILLIAMS. I should think so. I have one other question. You used to raise these longhorns in Texas, I remember; magnificent, great big horns. The horn was the biggest part of them. What sort of cattle are you raising now, chiefly?

Mr. COWAN. Hereford and Shorthorns.

Senator WILLIAMS. You are raising about as good cattle as there are anywhere in the United States, are you not?

Mr. COWAN. Yes, sir.

Senator WILLIAMS. You have bred up from that basis to the present grade of Texas cattle?

Mr. COWAN. Yes, sir.

Senator WILLIAMS. Is it not true that you have bred out of the Argentina class?

Mr. COWAN. Oh, no, sir. The Argentina people are buying the best bulls and breeding the best cattle in the world.

Senator WILLIAMS. I understand; but they are beginning now where you began 25 years ago?

Mr. COWAN. They began 7 or 8 years ago, and they are coming to the place where they are taking the plum.

Senator WILLIAMS. You have certainly bred out of the Mexican class?

Mr. COWAN. Yes.

Senator WILLIAMS. So that you are selling a higher priced animal?

Mr. COWAN. Yes.

Senator WILLIAMS. And he brings that higher price right in London?

Mr. COWAN. Oh, yes. You could not sell a longhorn steer in London, I do not believe.

Senator WILLIAMS. I did not want to interrupt your statement. I just wanted to ask you those questions.

Mr. COWAN. Pointing to the labor cost, so far as the labor cost in the production of a steer is concerned, it is a very small element, really. Mr. Lasater will give you the figures on that. I dare say that the difference in labor cost in one part of the United States, between one State and another, or between the United States and Canada, that would be embraced in the expenses of producing a steer, would undoubtedly be very small; I should think so. At page 58 of this bulletin, referring to the conditions in Canada, Saskatchewan and Alberta, it is said:

In almost every district from east to west and north to south, in the prairie provinces, nature has with such lavish hand provided all the essentials of livestock husbandry that one marvels that every breeder is not also a finisher and exporter of high quality butchering stock.

Let me call the committee's attention to the fact that we can take a steer bred on the Matador ranch in central western Texas—and we can breed cattle above the quarantine line that go anywhere—and take him in the upper panhandle of Texas, and he will develop into a little bigger steer than he will on the same quality of grass on the ranch where he is bred. Take that steer to South Dakota, where they breed that kind of cattle, when he is 2 years old, and keep him until he is 4, and he will gain 300 pounds. You will have a much larger and better steer. Take him to Canada and he will make 100 pounds more than he will in South Dakota. I refer the committee to the testimony of Mr. McKinzie, the manager of that company, given before Senator Lodge's committee, to show that fact. Senator Smoot, I remember, heard him testify to it.

Senator SMOOT. I can testify to the same thing, because I own an interest in a cattle company in Canada and they ship a great many from the United States there, and I know that the cattle can be matured in Canada and at least 100 pounds added to a steer if fed in Canada over and above what he would weigh if fed the same length of time in the United States.

Mr. COWAN. That was explained this way to me by Mr. McKinzie. He said that the colder climate enabled the animal to use in combustion a larger amount of food, and therefore the animal in Canada on the same feed—if you fed him on corn it would be the same way—would make a larger growth, a larger weight, feeding him on the same corn, in Canada than in South Dakota.

Senator WILLIAMS. So his theory is about this, that the animals take in feed for two purposes, one for increase and one to keep up heat or fuel?

Mr. COWAN. Yes, sir.

Senator WILLIAMS. That the more they have to take in for fuel or combustion the fatter it makes them?

Mr. COWAN. That is his theory. But he said it is a fact that they do that; and I have been told by other people, and Senator Smoot confirms it.

Senator STONE. It seems to me from that testimony and from a great many other things that have been said that the United States must be a very inferior country.

Senator SMOOT. Senator, it is inferior as a ranch for cattle; I know that. They have more land up there, and they have a stronger grass. The theory expressed here by the witness as to why they take on more flesh I know nothing about. All I know is that they do it.

Senator STONE. We have been in the habit of thinking we had the greatest country in the world.

Senator CLARK. The fact is that the farther you get north the stronger is the fodder upon which the cattle feed.

Senator WILLIAMS. And most of it you have to feed dry?

Senator CLARK. No; because it is a singular thing that it is cured in the field and on the stalk. You have your hay already prepared, and it is the strongest fodder they can get.

Senator WILLIAMS. I understand hay will cure in the field in a country like that, whereas in a moist climate like mine it will not; it will rot. But that is not a matter of getting to a more northerly country. It is getting to a drier country.

Senator CLARK. It is a matter of fact that the farther north you get the stronger your fodder will be.

Mr. COWAN. I do not want to tire the committee, but I am trying to take you along step by step, and there can be no complaint that the committee does not understand.

Senator WILLIAMS. On that line I have just one question: Grass does not turn to hay in northern New York, does it, or in Quebec or in Ontario or in any place on the moisture side of the mountains?

Senator SMOOT. You mean without cutting?

Senator WILLIAMS. Yes; on the stalk.

Mr. COWAN. If the question is put to me, I do not know, but I am sure it does not. There is no use to say that we have not as good a country as somebody else; that is too general an expression. The point is, can we afford to bring into competition with our own production here the production of other countries, and I am only trying to answer the point that cattle are higher in Canada than they are here, and that it would furnish us an outlet to sell our cattle, instead of bringing them here. That has been asserted in the House; I have seen it in the Congressional Record; I have seen it in the newspapers, and so on, and I am only trying to show that Canada can produce them, that it does produce them cheaper, that they are selling them in London cheaper, and I am doing it simply for the purpose of answering that.

Reading further from this report, page 44, referring to fattening the central Canadian cattle, it is said:

Experienced feeders who turn out especially good cattle, receiving top prices for them, say good cattle to finish properly and profitably is the great want of Ontario these years. Good ones pay well to feed, but the majority of those marketed never pay for the feed used. A poorly bred thousand-pound steer bought at 3 cents a pound, with 300 pounds added, sold at 4 cents, cost \$22 for the feeding. A good quality steer of a thousand pounds bought at 5 cents increased in weight and sold at 6 cents, and gives a return of \$28 for the feed used.

Under the heading "Buying and selling," at page 45, it is stated:

One extensive buyer said: "I usually pay 3½ per hundredweight in October for cattle. I expect to sell in the spring at 5½ per hundredweight." Another pays \$4 per hundredweight in the fall for a thousand-pound bullock that he expects to sell for \$5 per hundredweight the following June. This feeder gets the advantage of cheap rates on grass following a winter of moderately light feeding.

He is putting out finished-fed cattle 5 to 5½ cents. This was written in April, 1910, when that class of cattle was selling for 7 and 8 cents on the Chicago market.

Treating of the subject as to the future of the beef industry and export it is stated in this pamphlet at page 111:

Whether or not the improved values (referring to the values of cattle in the United States at that time, April, 1910) will greatly increase the beef stocks of the United States is a question yet to be decided. Those in a position to judge of the future look for the home demand to quite overtake the supply within a few years. Packing-house magnates who have established retail shops in Great Britain and have supplied them from their own abattoirs appear to see the handwriting on the wall, and already have established plants in the midst of the new sources of supply. At Edmonton, Hamilton, and Winnipeg, Chicago firms have in operation large packing houses, and at Toronto the Union Stockyards have been taken over by a Chicago firm. At the latter point buyers representing some half dozen large United States firms are on hand from week to week to bid for the offerings of export cattle. During the summer months of 1909, through the agency of these buyers, more export cattle were shipped from Toronto than from any other point in America, Chicago following next in the order for this period.

It is in South America that Chicago firms are extending their business most rapidly. Two of the strongest corporations already have in operation in Argentina extensive chilling and freezing plants and are expanding their operations so rapidly as to give currency to the opinion that they are on a fair way to acquire controlling power of the Argentine meat supply.

Notwithstanding these facts, I understand it to be reported by the Ways and Means Committee that one of the objects of putting this on the free list was to hit the big packer, and just as these things have generally done, the strike at the big packer missed him. He is preparing to parry the blow, and it lands on the live stock producer of the country. Perhaps the Ways and Means Committee were not acquainted with these facts, else I do not see how they would have concluded that to dump foreign meats which must come from the only source of supply, Argentina, at present, which must be brought here by the big packers themselves, was going to hurt them. It simply would mean a permanent reduction in values and leave the big packer where he could supply the Atlantic Coast trade, cutting out a large number of independent packers up and down this country. Its centers of population stop their buying on the Chicago, Kansas City, and St. Louis markets, stop the outflowing of cattle in an eastern direction, and stagnate the business, and still be entirely in the hands of the same people they are trying to hit by putting meats on the free list. We think these facts demonstrate that except for the extreme slump in the cattle markets of the United States for the last six months the Canadian values are far below those which prevail in the United States. The underlying reason which led to placing meats on the free list, at least placing Mexican meats on the free list, I discussed to some extent. It is problematical as to how many cattle Mexico can produce. The ranges are unstocked. There are only a few ranches operated. It could be enormously increased should it become necessary to do so.

Senator WILLIAMS. But if the grass becomes less nutritious the farther south you go, by the time you get to Mexico it would have very little nutrition in it, would it not?

Mr. COWAN. In regard to the nutritious quality of the grass, a man who lives in the West and knows these grasses does not consider it is less nutritious for the purpose of keeping cattle up and seeding them. You have a combination, when you get north, of the climate and the grass, and you have it in greater abundance. I have seen cattle live on the plains of Texas, when a man would not think he could not cut with sheep shears enough to fill a mattress off of a section. That curly mesquite grass does not grow high; it does not grow higher than your hand, ordinarily, but it has most remarkable nutrition. I have never seen anything—and I believe Mr. Lasater can tell you about it—I do not believe you could find anything in stock foods with the nutrition that the curly mesquite grass has, if it grows without rotting and you have got much grass; is that correct?

Mr. LASATER. I think that is a fact.

Mr. COWAN. But our climate and our conditions are such that, notwithstanding the nutritious quality of the grass, it does not produce such fat cattle, and does not produce the growth on the cattle that the grasses do farther north. I am sure that the curly mesquite grass is as nutritious as can be found, and you find very fat cattle in Mexico.

Senator HEYBURN. Does the convenience and availability of water to the cattle, where they can go to it at any time and drink all they want, have anything to do with the fattening of them?

Mr. COWAN. Undoubtedly.

Senator WILLIAMS. What are the water conditions down there in Mexico?

Mr. COWAN. In many places the very finest.

Senator WILLIAMS. Better than they are in Texas?

Mr. COWAN. On the average I believe the water conditions on the grazing parts of Mexico would be better than they are in Texas, but there are some parts of Texas where it would not be so.

Mr. LASATER. You take my section; we have not a natural water supply, but we have made one as good as anybody has. We have permanent waters three miles apart, giving a distance of a mile and a half to graze each way. Wherever you can invest the money you will have a good water supply.

Senator WILLIAMS. Do they not have to do that in Mexico, generally?

Mr. COWAN. In parts of Mexico they would have to do it.

Senator WILLIAMS. It has a general reputation of being a pretty dry country.

Senator HEYBURN. Do you know about Canada as to that?

Mr. LASATER. In the northwestern Provinces of Canada the water is much more convenient and easily available.

Mr. COWAN. The best watered country in the world, Mr. McKinzie tells me.

Senator HEYBURN. That has something to do with the fattening of cattle in the Canadian Provinces?

Mr. COWAN. No doubt; but in the wintertime they can not get water; it is all frozen up, and they have to eat snow. That is what he tells me.

Going back to the Mexican proposition in regard to water, the ranch we bought, which I spoke of, has been occupied as a ranch about 200 years, and they dig big wells about 15 or 20 feet square and wall them up about 20 feet deep, and they draw this water out with a raw-hide bucket and with horses and a kind of pulley with a raw-hide rope, and the Mexicans water the stock in a crude way in concrete troughs. They get water abundantly there everywhere. Where I have been in Mexico myself—I have never been in that particular part—there are a great many streams coming down from the mountains, and in many places I have no doubt you could get wells, probably in nearly all the country. I do not know the extent to which that is carried on now over in Sonora, south of Bisbee, and in that country. I understand that is a good grazing country still, and no doubt in southern California and southern Arizona.

Before I pass from Mexico I want to call attention to the statement made by a Member of Congress from Oklahoma. So many either misstatements or mistakes of facts have gone into the Congressional Record that people who have not investigated the matter and do not happen to know about it are likely to be misled. I mention this for the purpose of pointing out that it will not do to rely upon the statistics these gentlemen are putting into the Congressional Record. The gentleman from Oklahoma—

Senator KERN. From whose speech are you reading?

Mr. COWAN. Hon. Charles D. Carter, in the Congressional Record of May 12. I am not reading this for the purpose of criticizing him. I am reading it to point out that it will not do to rely upon the statistics; partly, also, to let the public understand, if they ever get hold of these hearings, what the truth is about it. He states:

Some of the boys at home have been exercising themselves about the products of Mexico, and especially have some of our stockmen been uneasy about the importation of Mexican cattle and other products. I will insert in the Record some data taken from the Statistical Abstract, Commerce and Finance of 1909, a careful study of which will put to an eternal end all ghost hunting in that vicinity.

Then he copied under the head of "Cattle," "imported from Mexico, 1909 (p. 164, Commerce and Finance), 2,002 head," total cattle in the United States, he gives; then he gives the total cattle in Mexico; the total exported to Mexico, 8,372 head. Then he states:

If these Mexican ghost hunters will glance but casually into these figures, they will find that under present conditions we shipped more than twice as many cattle to Mexico during the year 1909, as Mexico shipped to the United States.

Referring to imports of merchandise of June 30, 1906 to 1910, issued by the Department of Commerce and Labor by articles and countries, we find at page 160, under the heading "Animals," "Cattle free from Mexico, 2,002." Going to the next page, under the heading of "Cattle dutiable," we find 126,067 exported from Mexico in 1909, and 188,114 for 1910.

Now, with that class of information going out in support of the free-list bill, what will people think who read it? Here is the Texas Cattle Raisers' Association "resoluting" against the proposition to import Mexican cattle. Here are dealers all over the country and in the State of Oklahoma bringing Mexican cattle in, and yet the information goes out from their Congressmen that we export to Mexico twice as many as we bring in. The fact is we do not export any

cattle to Mexico for any other purpose than breeding or when cattle may be driven across the line, mostly in the vicinity of Arizona, probably in the vicinity of the Arizona-Mexico line, for the purpose of grazing, but we do not think that the Cattle Raisers' Association should be held up to criticism in that way.

If the gentleman had made a casual glance at the next page he would have seen how many cattle were brought in under duty.

Senator STONE. What did you say the number of cattle was exported to Mexico in 1909?

Mr. COWAN. Exported to or from?

Senator STONE. Exported to Mexico.

Mr. COWAN. 1909?

Senator STONE. From the United States.

Mr. COWAN. I did not say—I stated what he said. I have not the exports here. He states that there is exported 8,372. That is correct for exports to Mexico, because that is under the heading "Free," because there is no duty on cattle going into Mexico.

Senator HEYBURN. I find for cattle going into Mexico in 1906, 18,641; 1907 it was 30,802; in 1908 it was 30,304; then in 1909, 8,372; and in 1910, 5,149.

Mr. COWAN. That could hardly be the exports to Mexico, except in one way, of course, that of moving in cattle for breeding, and they have sent herds over there for grazing purposes from the ranches in southwestern Texas. It is important, at least for the purpose of meat supply, they imported fat cattle along the border for some period, I do not remember precisely when.

Senator SIMMONS. I want to state, Mr. Cowan, that that extract you read was from Mr. Carter's speech, which is being pretty generally published. I have seen it in some papers of North Carolina.

Mr. COWAN. A gentleman from Bridgeport, Conn., Mr. Davenport, called my attention to it and said, "What are you fussing about Mexico for?" He told me about these figures.

Now, we are not so much bothered about the number that has been exported into this country from Mexico as we would be about the conditions which would arise in case you adopted the policy of taking the tariff off of both meat and cattle from Mexico. It is the result of such a policy more than what has been imported to this country heretofore. Now, see the situation with the free-list bill, with meats on the free list and cattle from Mexico on the dutiable list. They would bring those cattle up from below Brownsville and slaughter them at Matamoras, bring those carcasses across the bridge, and put them in the butcher shop; and you can not sell it to be carried back across the bridge. It is the same at Laredo, El Paso, Douglas, and every other border town. The absurdity of it indicates a want of any careful thought in the preparation of the dutiable list. Surely one could not be expected to induce it to come in here and yet prevent it from going out. Precisely the same thing happens with the Canadian treaty; you can not send back the beef without paying the duty; and yet it has been supposed that we could bring raw material into the United States and ship back the finished product. I do not know that they would permit that to be done with cattle, but you can with other things, and manufacture it and send it back with 99 per cent of the duty to be refunded. Of course, that would not refund the duty to Canada, going into Canada on the meat, but I do not know what their rule is with regard to sending it out and bringing it back in. Then

cattle might be brought in, slaughtered, and immediately brought back without any duty any way. Surely if we are going to have reciprocity we ought to have it so we could bring the animals here for slaughter and the products could go back. It seems absurd that it could not be so—to bring a hog in, put him into bacon, and then pay 27½ per cent duty, or whatever it is, going back there in bacon.

Senator HEYBURN. Do you differ with this statement just issued by the Department of Agriculture that we imported from Mexico, dutiable, in 1910, 188,114 head of cattle.

Mr. COWAN. No; I do not differ with that. I read that is what we do do, but I suggest that Representative Carter stated that we only imported 2,000 head.

Senator HEYBURN. Only imported 27 in 1910.

Senator SMOOT. That is, free.

Mr. COWAN. Under the same list he has been reading from; yes.

Senator HEYBURN. Now, the value of those cattle in 1910 that were imported, on which duty was paid, was \$2,594,796.

Senator STONE. Judge Cowan, what class of cattle were brought in free from Mexico?

Mr. COWAN. Cattle for breeding purposes, I would suppose, or show purposes; something of that kind. I do not know what cattle are brought in free.

Senator SMOOT. I suppose the cattle came in under the general tariff bill.

Senator HEYBURN. Under the general classification applying to all countries.

Senator STONE. I understand, but I asked him this purely for information. I did not suppose there were any cattle brought from Mexico into Texas or any other part of this country specially for breeding purposes.

Mr. COWAN. I would not know, but, of course, we may assume that they are brought in in the course of the provisions of the tariff act, but under what provision these particular cattle are brought in I would not know; I simply do not happen to know.

Senator HEYBURN. Somebody had a little ranch down there of 27 head of cattle, which they desired to bring over into the United States.

Mr. COWAN. If we place meats on the free list, fresh beef and mutton will be laid down in New York from Argentina, and in the course of a very few years from other South American countries, and mutton will be brought in from Australia, New Zealand, and Argentina; and it is not at all improbable that fresh and cured meats will be laid down on the Pacific coast from the western Republics of South America.

I may pause there to say that the packing houses that have been established by Chicago packers on Puget Sound have been established on the water so as to have direct access to the water front.

Stimulated by the opportunities to sell in the United States, it may be reasonable to expect that Mexico will rather increase the production of cattle, to be followed by slaughter and shipment of meats to the United States.

Thus bottled up by importations of live stock and meats from the countries that can produce them cheaper than we can possibly do, there would not be a ray of hope of recovery from the present de-

moralized conditions of the live-stock market, and the road to bankruptcy would be plainly marked out for the American farmers depending upon the live-stock business, either directly or indirectly.

There would be and could be no stimulus arising from a lessened production in this country, for the reason that as fast as we lessened the production the cheapest meats and live stock produced in the world would flow into our ports and take the place of the continued reduced production here. This must of necessity continue just as long as these live-stock producing countries build up their herds, and the business to be extended, so that their production can supply the demand. There would be no stimulus arising from a lessened production in this country, for the reason that as far as we should reduce our production carcasses of the animals would come in to take their place, so that a reduced number would not increase the price unless the price of the foreign meats that were brought in should increase.

In the first place, it would practically destroy the small packing business in this country, and that would destroy competitive buying in our markets. Heretofore 44 per cent of the cattle sold at the Chicago market has been sold for shipment out of Chicago, mainly to eastern points for slaughter. The records of the stockyards company show, according to my recollection, shipment to as many as 175 different places for slaughter in a single week. The figures are given before the committee on the high cost of living.

Senator LA FOLLETTE. You say they are sold on that market. What market do you mean?

Mr. COWAN. Chicago market, 44 per cent. The Government inspects the cattle at all of the wholesale markets engaged in interstate traffic, and I want to refer to the list of places at which the inspection is maintained and the number of cattle that are actually inspected and the number of hogs and sheep at the different cities of the United States where these packers exist. About a third of the cattle of the United States that are inspected under the inspection laws are actually slaughtered at other cities than where the big packers have their packing houses. The report does not show how many are inspected for each different firm, but we may assume that there are a considerable number of cattle that are killed by independent concerns at these cities where the large packers have their packing houses. That is well known to be true.

I am certain the records will show that the big packers kill about 5,000,000 of the grown cattle that go into the market, and the small packers, who are independent of the big packers so far as the ownership of interests and action are concerned—as far as we can see or know—kill about 2,500,000. Now, I am speaking of the inspected cattle, where post-mortem inspection is applied by the Government to the product and the stamp is put on it. That has put the small packer where he has a certainty of his business, because he has the same examination and supervision and inspection that the big packer has. Now, that has given us a competitive market at Chicago, and Chicago largely controls the market of the country. A large amount of the cattle are bought at Kansas City by the eastern abattoirs and shipped east. If my memory serves me right, they killed 199,000 head of cattle at Indianapolis at an independent concern—I suppose it was independent.

Senator KERN. It is tolerably independent.

Senator LA FOLLETTE. What is the name of that concern?

Mr. COWAN. I know the name, but can not think of it.

Senator KERN. Kingan & Co.

Mr. COWAN. I saw carcasses exposed for sale down here at the market stamped with somebody's stamp of a slaughtering establishment about Washington. At all events, a large number of cattle are shipped from Chicago, and the stockyard records will show, if my memory serves me right, something like 175 destinations in a single week to which the cattle are destined that are shipped out. Now, if we did not have that competitive market, any man of common sense knows that the big packer would always have his own way in respect to what he would pay for the cattle. Another thing, if we have oversupply, he has always got his own way anyhow. Why, the little fellow is just as anxious to buy cheaply as the big fellow is, and if we have got an oversupply they will both buy cheaply, and the cattle raisers in this country will suffer for want of any competition when you dam up the outlet and force us to raise only enough cattle to supply the interior of the country or raise them cheap enough so we can supply in competition with South America, Mexico, and Canada.

I will submit this list from the Bureau of Animal Industry right at this point, to be put into the record.

Number of food animals slaughtered under Government inspection during calendar year 1909, by cities.

Cities and States.	Cattle.	Calves.	Hogs.	Sheep.	Goats.
Albert Lea, Minn.....	509	1,101	17,434	90	.....
Allentown, Pa.....	11,772	322	63,517	1,040	.....
Alton, Ill.....	3,209	555	51,611	420	.....
Arkansas City, Kans.....	1,464	114	22,227	14	2
Auburn, Me.....	258	78	18,039	230	4
Augusta, Ga.....	8,938	4,063	10,544	1,205	50
Austin, Minn.....	1,127	836	199,517	413	.....
Baltimore, Md.....	47,282	4,378	501,358	21,563	56
Bangor, Me.....	230	269	72	22,530	.....
Billings, Mont.....	2,413	820	6,765	3,469	18
Binghamton, N. Y.....	7	75	5	133	.....
Boston, Mass.....	59,580	84,466	1,161,141	294,202	773
Bridgeport, Conn.....	.....	256	25	.....	.....
Bridgeport, Pa.....	899	66	18,915	3,132	.....
Brightwood, Mass.....	2,299	2,364	131,331	157	.....
Brooklyn, N. Y.....	15,060	41,385	.....	193,064	6
Buffalo, N. Y.....	93,583	26,023	783,364	179,062	.....
Burlington, Iowa.....	844	169	7,591	137	27
Burlington, Vt.....	1,331	20	95	3	.....
Cairo, Ill.....	1,974	391	6,838	353	28
Cedar Rapids, Iowa.....	23,225	465	452,307	2,040	105
Charleston, Tenn.....	.....	2,255	.....	.....	.....
Chester, Pa.....	3,344	761	27,967	7,490	.....
Cheyenne, Wyo.....	1,318	39	3,501	606	.....
Chicago, Ill.....	1,659,088	357,974	5,359,825	3,442,044	21,089
Cincinnati, Ohio.....	136,968	68,112	524,641	114,499	235
Claremont, N. H.....	59	38	272	20	.....
Cleveland, Ohio.....	62,624	45,960	703,479	113,242	106
Columbus, Ohio.....	4,437	319	53,818	290	.....
Corning, N. Y.....	37	2,739	179	471	.....
Cortland, N. Y.....	373	11,482	12,277	1,761	15
Corydon, Ind.....	31	2	695	1	.....
Davenport, Iowa.....	234	188	45,673	4	.....
Dayton, Ohio.....	9,675	4,793	110,737	3,735	.....
Decatur, Ind.....	206	281	3,563	50	.....
Denver, Colo.....	42,887	5,726	212,440	38,851	22
Des Moines, Iowa.....	27,545	682	143,135	43	1
Detroit, Mich.....	22,014	16,354	439,779	89,176	15
Dover, N. H.....	.....	14	.....	30	.....
Dubuque, Iowa.....	7	20	17,628	.....	.....
Duluth, Minn.....	6,776	5,173	11,196	4,510	27
Eau Claire, Wis.....	152	44	39,026	341	.....
Elmira, N. Y.....	.....	599	9	121	.....
El Paso, Tex.....	932	276	184	470	.....
Evansville, Ind.....	9,515	2,316	34,697	1,331	15

Number of food animals slaughtered under Government inspection during calendar year 1909, by cities—Continued.

Cities and States.	Cattle.	Calves.	Hogs.	Sheep.	Goats.
Fergus Falls, Minn.	528	83	6,726	208	
Fort Atkinson, Wis.			9,557		
Fort Madison, Iowa	1,093	382	51,951	232	
Fort Wayne, Ind.	3,654	2,127	41,323	962	
Fort Worth, Tex.	531,044	224,648	834,397	81,465	191
Grand Rapids, Wis.	137	4	1,386	16	
Greenville, Tenn.			840		
Hallstead, Pa.	217	4,414	55	132	
Hamilton, Ohio	472	296	7,065	287	1
Harrisburg, Pa.	3,372	1,184	40,121	353	
Haverhill, Mass.	800	2,162	2,552	38,963	11
Houston, Tex.	26,395	7,869	42,574	1,229	1
Indianapolis, Ind.	191,667	34,588	1,415,113	47,950	
Jacksonville, Ill.	1,856	155	21,229	9	
Jefferson, Wis.	164	512	4,239	5	
Jefferson City, Tenn.			875		
Jersey City, N. J.	15,077	51,155	716,126	222,079	150
Kansas City, Kans.	1,349,777	204,553	3,174,437	1,111,275	57,583
Keene, N. H.	68	1	5	28	
Kennett Square, Pa.	139	367	748	15	
Knoxville, Tenn.	3		182		
La Crosse, Wis.	607	543	5,620	396	
La Fayette, Ind.	4,764	3,046	45,341	1,031	
Leavenworth, Kans.	345	66	621	12	
Lewiston, Idaho	504	181	1,136	359	
Logansport, Ind.	659	273	26,600	90	
Los Angeles, Cal.	80,954	12,622	105,102	224,353	302
Louisville, Ky.	11,016	1,675	184,421	2,070	42
Madison, Ind.	2,323	1,845	2,767	62	
Mankato, Minn.	2,563	1,984	6,417	3,168	
Marshalltown, Iowa	1,518	154	90,280	8	
Mason City, Iowa	1,239	297	71,797	4	
Meadville, Pa.		41	61		
Milwaukee, Wis.	68,169	108,520	929,160	37,573	118
Morristown, Tenn.			2,374		
Nashville, Tenn.	6,286	1,323	44,342	3,318	76
National Stock Yards, Ill.	531,511	131,573	1,356,092	532,467	7,888
Nebraska City, Nebr.	24	1	138,909		
Newark, N. J.	16,865	15,057	463,545	58,750	2
New Haven, Conn.			135,883		
New Orleans, La.	62,586	4,123	7,672	415	369
New York, N. Y.	486,216	320,458	782,907	1,526,820	67
Ogden, Utah	5,708	1,127	7,727	8,999	
Oklahoma City, Okla.	2,160	628	13,636	8	3
Olathe, Kans.		3	1,733		
Ottumwa, Iowa	15,538	2,977	570,245	4,318	
Paris, Ill.	293	231	3,387	7	1
Paterson, N. J.	5,845	5,190	111,068	44,495	
Peoria, Ill.	6,925	3,585	91,758	975	
Philadelphia, Pa.	100,133	44,025	375,869	233,201	2
Pittsburg, Kans.	3,772	658	13,126	243	8
Pittsburg, Pa.	47,546	39,497	306,083	67,351	4
Portland, Oreg.	45,010	3,995	64,354	87,722	
Pottsville, Pa.	689	253	55,842	41	
Providence, R. I.		24	101,492		
Pueblo, Colo.	4,512	1,518	31,363	4,025	
Quincy, Ill.	2,762	1,115	46,216	438	2
Reno, Nev.	4,771	2,564	4,991	10,158	
Richmond, Ind.	2,888	2,027	7,702	491	
Richmond, Va.	3,884	87	86,896	131	
Rockford, Ill.	1,905	671	19,568	963	
St. Louis, Mo.	172,490	20,395	777,751	43,472	936
Salt Lake City, Utah	5,628	318	7,579	8,765	
San Diego, Cal.	6,289	2,304	5,762	13,568	
San Francisco, Cal.	83,152	24,309	45,353	286,946	1,401
Scranton, Pa.	1,138	103	20,385	2,304	
Seattle, Wash.	46,834		99,720	100,576	
Silver Mills, Me.		48	37	10,168	
Sioux City, Iowa	168,366	15,824	906,034	42,726	18
Sioux Falls, S. Dak.			22,467		
South Bellingham, Mass.		17	121		
South Omaha, Nebr.	676,779	49,832	1,857,557	1,180,613	4,761
South St. Joseph, Mo.	353,700	45,101	1,650,364	477,080	2,017
South St. Paul, Minn.	119,937	45,831	651,380	129,450	
Spokane, Wash.	12,139	1,940	36,963	21,427	4
Springfield, Ohio	211	21	2,961	9	
Tacoma, Wash.	38,759	4,872	62,287	80,855	1,929
The Dalles, Oreg.	519	810	753	639	
Toledo, Ohio	3,160	466	124,938	747	2
Topeka, Kans.	6,884	1,275	115,564	644	43
Trenton, N. J.		733		19	
Troy, N. Y.	4,425	249	6,153	16	

Number of food animals slaughtered under Government inspection during calendar year 1909, by cities—Continued.

Cities and States.	Cattle.	Calves.	Hogs.	Sheep.	Goats.
Wallace, Idaho.....	2,503	783	3,992	4,044	.....
Walla Walla, Wash.....	3,047	1,088	7,466	3,548	.....
Washington, D. C.....	14,599	13,077	102,471	35,406	4
Waterloo, Iowa.....	1,483	416	57,442	143	.....
West Newbury, Mass.....	1,106	1,200	445	636	.....
Wheeling, W. Va.....	8,725	7,864	118,906	6,661	.....
Whitesburg, Tenn.....	.....	.....	854	.....	.....
Wichita, Kans.....	40,668	5,246	655,543	873	3
Wilmington, Del.....	7,236	1,055	9,767	3,599	4
Winona, Minn.....	1,380	806	29,503	1,495	.....
Worcester, Mass.....	.....	.....	119,477	.....	.....
Youngstown, Ohio.....	728	9	11,860	299	.....
Total.....	7,703,714	2,185,830	31,403,191	11,364,739	100,550

Mr. COWAN. Now, who are the consumers in behalf of whom this proposition is made? The answer may be "everybody." Everybody is engaged in doing something, either in producing something or selling his time, his effort, and his labor for a price. Everybody is interested in securing the best returns that he can get for what he does. And the consumer is vitally interested in what he gets for what he does, to the same extent, precisely, as he is in what he pays for what he buys. I can not conceive it to be the fact that the laboring element of the people of this country, who have been most adverted to as beneficiaries under this free listing of meats, can demand that anything should be done which would result in destroying the purchasing power of the farmer or the stock raiser. I have yet to see where they have taken any action of that sort. We all concede, of course, that good wages are the salvation of the country, but the farmer is a laborer; he converts his labor into what he sells, and I undertake to lay it down as a proposition which can not be gainsaid that if you will take the present actual fair value of the farm in the State of Missouri, in the State of Iowa, in the State of Mississippi, or in the State of Texas, or any State, and allow the man the current rate of interest on his investment, and if you allow him for every hand's turn, for every labor, and for every service, and for everything he and his children do, as the other manufacturing establishments compute their expenses, as the railroads compute their expenses, and then you put on the one side his gross earnings from what he sells, and deduct his expenses and the interest on the money that is current in his neighborhood, he is working under a deficit in every State to-day. The farmer's product represents his labor, and he is as much entitled to be protected in his labor as is the laboring man, and they know that and accept that, and I do not believe that the laboring men of this country will demand or do demand or wish that meats should be placed on the free list, if to do so forces the farmers to produce it without a profit; and if they do, they are advocating a proposition which they can not sustain, for the farmer has exactly the same right to say: "We will take the tariff off of your manufactured article, so that you will produce it without a profit, in order that we may buy it and reduce your wages as you have compelled us to reduce ours."

I can not see the philosophy that underlies the proposition to put farm products and meats on the free list; neither can I see the justifi-

cation in any system of tariff, of saying that you will put anything on the free list for the purpose of benefiting a certain class—that is class legislation—because it applies the system of tariff to the benefit of one class and to the detriment of another. Here it is proposed to pass a certain free list on the theory that we are going to want tariff for revenue, but it is known that we are going to leave the balance of the list untouched, and it is admitted that that is very high, so there is one element of the country where I live and people are engaged in producing cattle, hogs, and sheep, and working and tilling the soil, raising feed and corn, hay, and the like, and you are going to put us on a free-list basis when it is claimed that neither party advocates free trade. That is the worst class of free trade to put one element of the country on a protected basis and put the other on a free-trade basis. My proposition does not come to the point of asking what a tariff ought to be; it comes to the point of demanding that you do not discriminate by the system that you provide.

I believe that the people in this country will understand it. I do not know a single man engaged in the live-stock business in Texas or anywhere else who is in favor of the free-list proposition with regard to meats, and I do not know a single one who is tempted by the fact that you are offering him cheap bagging and ties, or rather free bagging and ties, and free agricultural implements, and taking away from him the rights which he believes he ought to have to produce in this country what the people eat in this country.

Senator McCUMBER. What possible gain could he receive from free agricultural implements? Where would he get them from? Who manufactures them to bring into this country?

Mr. COWAN. I am not acquainted with that subject, but I am under the impression that we will continue to buy Oliver chilled plows, although you might buy some other from Germany somewhat cheaper, or from some other place; but, however that may be, he can not be compensated—take a man for example with a section of land in western Texas, coming from Iowa, who bought it, and put 20 acres under cultivation, and he raises 20 bales of cotton, and on the balance of it he has 50 head of cattle. You put him on the free-trade basis with cattle, reducing his cattle 2 cents a pound, or \$20 a head on his cattle, if they weigh a thousand pounds. Reduce the price of cotton seed, because it can not be fed to cheap cattle, by \$3 a ton—if he raises 20 bales of cotton he will have 10 tons of seed. He has lost \$30 on that. The difference in the tariff on the agricultural implements and wire and windmills will not amount to even the \$30 on the cottonseed. People are aware of those things, and the assumption is that if you take the tariff off of agricultural implements and things of that kind, you will compensate him for the loss of putting him on a free-trade basis for his products, which involves the assumption that he spends everything he makes for agricultural implements and these other things that are on the tariff list.

Senator McCUMBER. Does not that involve another proposition, that he must buy his agricultural implements every year, when as a matter of fact, the plow should last him 8 or 10 years, his wire fence should last him 10 years, and his wagon should last him 10 or 15 years, while the things which he is selling he turns off annually?

Mr. COWAN. I think that is quite correct. Now, the argument in support of the proposition to sell live stock and its products on the free-trade basis, if that is what it means, if there is any merit to it, it is based on the proposition that the cost of living should be reduced.

Senator HEYBURN. Right there I would call your attention to the fact that the census of 1900 shows that those engaged in agricultural pursuits were 10,381,765; that is, more than one-third of the people engaged in all kinds of labor in the United States.

Mr. COWAN. I did not have those figures in my mind, but I thank you for putting them in for me at this place.

Senator HEYBURN. It shows that of stock raisers and herders there are 34,898, and of butchers, 118,193.

Mr. COWAN. We must understand, of course, as all gentlemen engaged in the live-stock business do, that the complex conditions and situations in the farm districts where live stock is produced are such that every part of the community is interested in live stock and in the production of feed stuffs for live stock, as it affects the value of the land, the prosperity of the merchant, the ability of the banker to do business, the doctor to collect his fees, the lawyer to get anything, and even the preacher to be paid.

I lay it down as a proposition that it is not possible for the farmer and the stock raiser to have an average market for their profits above a reasonable profit, certainly in all those things of which we can produce enough to supply our own consumption. The reason for this lies in the fact that our country is capable of producing grain, hay, hogs, cattle, horses, and mules sufficient to supply the demand of double the population that we have in this country to-day, and whenever the profits of business are such that those engaged in it can have a reasonable assurance in the undertaking of a profitable business for any long period of time, the production will increase because nearly every farmer can increase his production and everyone can go into the business, and we have moved the people into the cities because heretofore we have not made profit enough to attract people compared to what they can get by moving to the cities.

Senator STONE. I would like to ask you if there is any other member of your delegation, if you have a delegation here, who desires to be heard?

Mr. COWAN. Only two gentlemen—Mr. Lasater, the president of the Cattle Raisers' Association, who sits here, and Mr. Burke, of Nebraska. They are the only two, and their testimony will not be long.

The CHAIRMAN. You may proceed, Mr. Cowan.

Mr. COWAN. I desire, in order to save time, to submit the following details and conclusions. In the figures there given I have undertaken to demonstrate the proposition that we have now in this country, according to the estimate of the Agricultural Department, of the total number of beef animals, using the percentages which have been used in Bulletin 55, of the meat supply, a surplus—making application of that—that we have a surplus of cattle in this country now of considerably more than 1,000,000 head above the surplus that we had in 1900 of beef cattle, exclusive of calves.

I have already pointed out about what our exports were as I went along, but the figures are contained there, as are contained also the figures of the slaughtering at the different points, and it will not be useful to take up your time with that now.

(The statement above referred to is as follows:)

Occasionally prices may fluctuate below a reasonable profit, but when that happens for any period of time it will reduce the production and then they will come back again as the lessened production shall tend to increase the prices. The great law of supply and demand will automatically control it, so far as the farmer is concerned, in the absence of trusts and combinations which may fix prices.

Trusts and combinations should be prohibited and the law of supply and demand permitted to operate naturally, but trusts can not be prohibited and the law of supply and demand brought into active operation by the destruction of the producer himself.

It is claimed that the object of this free-list bill is to destroy the hold which the great packers of the United States have upon the meat industry. That claim ignores the important fact that they have already acquired the same character of interest in the meat production and supply in the countries where the surplus must, for the present, come from, which they have in this country.

They already have their storage houses, agencies, representatives, and large investments at our best ports and centers of consumption and can therefore more cheaply handle the business out of the packing houses which they already have in Argentina, or those which they may establish elsewhere, than can independent concerns not supplied with the facilities for doing business in this country.

MARKET COMPETITION IN SALE OF CATTLE.

The number of food animals slaughtered under Government inspection during the calendar year 1909, this being the last year for which figures are obtainable, as stated in the table taken from pages 319 and 320, Annual Report of the Bureau of Animal Industry for 1909, was 7,703,714 head, of which the slaughter at the principal markets was as follows:

Chicago	1, 659, 688
Fort Worth	531, 044
Kansas City	1, 349, 777
National Stock Yards (East St. Louis)	531, 511
Sioux City	168, 366
South Omaha	676, 779
St. Joseph	353, 700
St. Paul	119, 937
Total	5, 390, 802

The slaughter at all other markets where inspection is maintained was 2,312,912 head. It thus appears that practically one-third of the cattle slaughtered, exclusive of calves, were slaughtered at cities other than those named. Armour, Swift, Morris, the National Packing Co., Schwarzschild & Sulzberger, and Cudahy are the main operators at the cities named.

The receipts of cattle at those markets, as shown by the Monthly Summary of Internal Commerce for the month of December, 1910, at page 537, published by the Bureau of Statistics of the Department of Commerce and Labor, were as follows:

Chicago	2, 929, 805
Kansas City	2, 350, 946
South Omaha	1, 124, 618
National Stock Yards (East St. Louis)	1, 418, 005
St. Joseph	539, 197
St. Paul	418, 629
Sioux City	408, 112
Fort Worth	868, 333
Total	10, 057, 645

The shipments out of the cattle so received were in the aggregate 4,086,729. Leaving of the receipts not shipped out a net of 5,990,916, which exceeds the number inspected post-mortem, but the difference in the figures is accounted for by the fact that in the case of the receipts of cattle at St. Louis and Omaha calves were included, whereas they are not under the term "cattle" in the inspected list.

Competition in the purchase and sale of cattle at markets as between the big packers and the outside buyers is indicated by these figures.

The total number of cattle, except calves, available for slaughter in the United States, according to Bulletin 55 of the Department of Agriculture, entitled "Meat supply and surplus," page 38, was 12,978,000 head. The number exported alive was 240,000 head; exported in the form of meat (estimated), 1,081,000 head; total on a live-animal basis exported, 1,321,000 head; consumed in the United States, 11,657,000 head; calves, 5,831,000. Per cent of export of available slaughter, 10.18.

The total exportations of meat and meat animals in 1900 was 11.88 per cent, or practically one-eighth of the total production for that year.

Figured as nearly as possible upon the same basis that was used in Bulletin 55 at page 38, the exportations of beef products added to the exportations of cattle for 1910 would be equivalent to approximately 352,000 head.

Thus it would appear that our exportations for the year 1910—and it must be understood that they are constantly on the decline, being less proportionately for the last eight months than for any former year—are nearly 1,000,000 head short of what they were in 1900, and a much greater amount less than our exportations for the year 1906.

Assuming 352,000 head to represent the exports of animals and beef products, and taking the same percentage of cattle and calves available for slaughter to the total number of cattle in the country, exclusive of milk cows, on the same basis as table 9 of Bulletin 55, page 38, it would show 13,375,230 cattle, exclusive of calves, available for slaughter in 1910, and 6,009,160 calves, making a total of 19,384,390 head. Now, deducting the cattle consumed in the United States for 1900 from those available as above stated for 1910, it would leave 1,718,230 cattle, other than calves, available for consumption in the United States, more than was actually consumed in 1900, and the estimate of calves would exceed that of 1900 by 178,160 head.

It thus appears that the falling off of exports leaves us a surplus for consumption, which in previous years we have sold abroad.

These figures are given to point out the fact that the falling off in the export trade has left us with a surplus for our home consumption, notwithstanding increased population.

Competition on the markets in purchasing cattle and other live stock will be less and less as our surplus increases in proportion to the consumption.

When I started out, I said that we were not taking sides politically in regard to this matter—that our associations had always acted in a nonpartisan way—and I want the committee to definitely understand that that is the way I am acting here, representing these associations. Nobody cares anything about my politics; it does not affect my argument. If the argument is not good, it would not be any better whether my politics were one or the other. As a matter of fact, I have always voted the Democratic ticket all my life, except on the free-silver proposition, and then I balked.

Whether the tariff system is based on one system or another, the system should be such as not to work disaster to a business or subject a given business to discrimination. Of course, I know there must be discriminations of greater or less degree, but I mean the system should not be so made as to work to any great business of the country a discrimination, if it can be avoided.

I furthermore know, of course, that the tariffs are compromises, and all that, but that does not reach this point; here is a wholesale proposition, the way we look at it, to create or force a condition undesirable, unnecessary, and undemanded, except the demands that have sprung up so recently as scarcely to have a chance of fair con-

sideration and discussion. We know that a tariff must be levied on nearly all products which may come into this country, and that the benefits must flow regardless of the purpose for which the tariff is said to be levied. It has never been my thought that one levying a tariff for revenue should ignore those things which reasonable business men should know and feel, and levy it for the sole purpose of revenue without directing their intelligence toward the best results coming to the industrial business of the country. Incidentally, protection is necessarily involved in practically all revenue tariffs, and everybody recognizes that, and the Democratic Party, I will say, when it has undertaken to make a tariff, has in fact recognized it, though I have heard a great many men deny it in theory; but no tariff bill, no general tariff bill, which is not made up with a view to looking after the best interests of the great industries of the country, should be passed. Of course, a man would not want to belong to a party which in practice will attempt to destroy the great business industries of the country, and I know that is not the minds of the Democrats any more than of the Republicans.

Senator KERN. What do you call the great business interests of the country?

Mr. COWAN. The one I am talking about is one. Another one would be the great manufacturing industries. I am not advocating them. I do not know anything about them more than an ordinary citizen, but I dare say that no political party could last in this country if it does a thing where it is admitted that the doing of that thing is closing the manufacturing business extensively and putting men out of employment, and nobody intends to do it; they have no notion of doing it.

I am here to present the point that to put us in free competition with a foreign country is not demanded by the public, by the consumers, by the laboring people, or anybody except some second-hand demands in that particular that have not given due consideration to the effects that may result from it.

Now, I believe that any political platform can be adjusted to the point of giving a tariff of 15 per cent on meats; that is about what we have on fresh beef—I think 1½ cents a pound would amount to about 15 per cent.

It might be that it would not come in, and then it might be said: "Well, it can not be a tariff for revenue, because it does not produce revenue," but if you take it off and it does come in, it does not then produce revenue. I think that there ought to be an amendment to our political platforms in this country that wherever the agricultural interests of this country produce a sufficient supply or a surplus, the outside public should not be permitted to come in and take our trade without paying something for the opportunity of doing it, on the same principle exactly that every community advocates home consumption of home products. I do not know a town or a State or a community in this country that does not advocate it, and I think that what is good for the man is good for the State, and is good for the Government in that particular. At the same time, so far as I am concerned, I do not believe in placing a tariff where the effect is, or the purpose is, to promote a combination of people who produce articles where they can sell them at an unreasonable profit. I believe it ought to be prepared, as near as may be, and I mean by that the

system that is made, as near as may be for the purpose of giving to the farm producers, who are the originators of the wealth of this country, a fair opportunity to supply at a fair price the market that wants to consume our stuff, and let that be the very foundation of your tariff system to begin on, for without prosperity in the farming and live-stock-raising industries in this country you can have no prosperity in any industry, and we have been told that by every public speaker, by every political party.

Now, let the practice follow that. There is no principle which should induce, it seems to me, on good, sound reasoning—should induce Congress to say to the manufacturers, "Well, we will do this for you; we will let you get your stuff that you are going to manufacture without any cost, so far as any tariff is concerned; we will reduce your tariff, but you will be compensated in the other proposition," and then turn around and say to the people who are producing it in this country, "In order to carry out this policy which we have just mentioned you will have to forego any benefits; you must be placed where you will have to produce your stuff in competition with those who can produce it the cheapest, because we have a proposition here that we must advocate, we must put through, in order to benefit a certain class of men who manufacture the material which you are going to use and buy." I do not know where any party stands upon that proposition as a party, but I do know that in Texas, where we are producers, that the last State convention said, "We are against the doctrine of free raw material." Now, that would extend likewise to be against the doctrine of bringing cattle in free, of bringing meats in free, or bringing grains in free, or onions, or rice, or the other products which we make to supply what people use in this country.

Senator STONE. What do you consider raw material?

Mr. COWAN. I have never laid down the proposition that we ought to have any such division in regard to products, and I am not able to define it. I have heard it defined in various ways.

Senator STONE. In other words, you do not think that there is any such thing as raw material?

Mr. COWAN. No; my statement did not involve that conclusion. I say that, so far as raw material is concerned, it should be considered in the system that I have mentioned, with the same degree of consideration as anything else is, and that we should not be required, for example, to stand in competition with South America on hides in order that the shoe man or the leather man may be benefited, even though the public would get cheaper shoes, because the public is not interested in having a great industry like the cattle business suffer in order that they may have some advantage. The public wants the industries to work on a reasonable profit, and wants to destroy the advantages of any industry and combination whereby they may get unreasonable profits from the public.

Senator STONE. The difficulty I had in mind when I asked the question was that you had expressed your approval of some convention declaration—I think you said in Texas—that that convention declared itself as opposed to the doctrine of free raw materials. You approved that. Now, I was curious to know, if there was no such thing as free raw material, what the resolution meant.

Senator BAILEY. I drew that resolution, and probably I can enlighten the Senator from Missouri.

Senator STONE. I thought maybe he could.

Mr. COWAN. I am not attempting to even define it.

Senator BAILEY. As a matter of fact, it is my own view, and it is the view of the Democratic Party of Texas, that there is no such thing as raw material ready for any man's use. The tree standing in the forest is raw material, but when you put the ax to it it becomes the axman's finished product; the coal in the earth is a raw material, but when you begin to employ labor to bring it to the surface it becomes the miner's finished product; and the Texas convention, recognizing that there is in the public mind a distinction between the finished product and the raw material, declared that it was opposed to the repeal of the duty on the manufacturer's raw material as long as there is a duty on the manufacturer's finished product made out of that raw material.

Senator STONE. The manufacturer's raw material?

Senator BAILEY. Yes.

Senator STONE. I understood him to say that the declaration was broader, that they opposed the admission of any raw material free of duty.

Mr. COWAN. I may have said that. I am referring to the thing that is in the platform, and I do not recollect the language of it.

Senator BAILEY. It declares that we are opposed to the proposition to allow the manufacturer to import his material free of duty while levying a tariff on his finished product made out of it.

Senator McCUMBER. Every article is raw material, is it not, to the man who manufactures it into some superior article?

Mr. COWAN. That is my opinion about it. I am not an expert on what it might be or what it might not be.

Senator STONE. Cloth is raw material to the tailor.

Senator BAILEY. The suit of clothes is the finished product. Wool is the raw material to the manufacturer of the cloth, and the cloth is his finished product.

Senator STONE. Does that resolution mean that you are opposed to the admission of woollens; for example, leaving out the question of revenue now, you would be opposed to the admission of woollen cloth free into this country because it was treating it as a raw material of the tailor?

Mr. COWAN. You would have to ask the tailor that.

Senator BAILEY. That is not an important question in dealing with the tariff, because everybody knows that the cloth is treated universally as a finished product, and the platform meant that we are opposed to repealing the duty on wool as long as there is a duty on the cloth made out of wool.

Senator WILLIAMS. In other words, the Texas convention recognized the fact that notwithstanding the quibble of what is and what is not raw material, everybody understands what you mean when you say it.

Mr. COWAN. The point I am trying to make is this: That in the home industry of this sort, the system of tariff, whatever it may be, should not be such as to work the harm which we claim it will; that the public is not interested in doing it, and that every political plat-

form ought to find room to do that justice which I claim ought to be done to this industry.

There is no more merit in the low-price propaganda on what we eat than on what we wear, use, and consume in our households, or otherwise, and the proposition is wholly wrong where the low price would render unprofitable our important industries, reduce wages, and throw labor out of employment, whether it be agricultural or otherwise; and again, we can not have low prices and high wages. Increased land values, increased rents, reduced fertility of the soil, cost of fertilization, cultivation, better conditions in farm life, better clothes, better houses, and more comforts, more schooling, and less labor for children, and higher prices for what we wear and use, or have shorter hours for labor, make it impossible to go back to the prices of 1893, and raise cattle for \$10 a head, or hogs for \$20 per dozen, corn at 25 cents per bushel, and wheat for 60 cents a bushel, with farmers in rags, as I saw them in western Kansas in 1893, and Coxey's army trudging to the capital for the purpose of obtaining relief, and political orators, free-silver spellbinders, all over the country as they were in 1896, declaring that the misfortune of the farmer was that he had to sell his wheat for less than \$1 a bushel. I saw wheat loaded into cars at 38 cents. I saw those same men on juries in patched clothes. In the prosperous times it has come down to the point that the same men who were advocating free silver in order to raise the price of farm products are contending that the price of farm products should be lowered in order that we may satisfy somebody whom we think is demanding cheaper living. You can not have cheaper living and have these conditions that we have, and every man ought to think carefully before he undertakes to subscribe to the proposition that we must go on to a lower level of prices in this country, because when he does it he will probably go back to those conditions which we least desire and from which we tried to get away and successfully did.

The inconsistencies in the arguments and grounds put forth in favor of the free list and Canadian treaty by the advocates of those measures, both protectionists and revenue free traders, render classic the expression of the Hon. Alex. Terrell, of Texas, "Consistency is the virtue of fools."

We are told that the object of the free list in the Canadian treaty is to cheapen the cost of living; that it will not reduce the value of live stock or farm products; that Liverpool fixes the price which the farmers get for wheat, and that the Canadian treaty will cheapen bread.

That there is no use to amend the reciprocity treaty so that our meats could go to Canada, because they produce a surplus and would not buy of us, and that live stock are higher in Canada than in the United States.

That Canada can not raise hogs as cheaply as we can, hence the treaty would cheapen bacon;

That the Canadians refuse to let meats in free because the Beef Trust would supply the Canadian trade from Chicago;

That the Beef Trust fixes the price of live stock and meats and controls the output from Argentina and would therefore not ship it to this country in competition with themselves if the tariff were removed;

That the prices of meats would go down and the price of live stock would not be affected;

That the free list will destroy the hold that the Beef Trust has on the business, notwithstanding it has the same hold upon the source of supply that it has here;

That cattle are higher in Canada than in the United States, so that the treaty would afford the cattle raisers a market for feeders whereby the farmer could feed his cheap corn to the feeders brought from Canada and thus increase the price of corn; and that the advantages of milling Canadian wheat in this country would be to get the bran and the by-products to feed live stock and chickens, thus enabling the farmer to make more money from poultry and the consumer to get cheaper poultry and cheaper eggs;

That the tariff on cattle, hogs, sheep, and meats has not and can not benefit the farmers in any way; and if we take it off of live stock and leave it on meats it will cheapen meats;

That the Canadian treaty and free list are for the farmers' benefit, and that the reason he is not in favor of it is that he can not understand how it will make cheaper meat and bread and not reduce the price of grain or live stock;

That barley should come in free, so that our brewers can get a supply and make beer cheaper, but there would be no use to bring malt in free because the beer would not be any cheaper to the consumer, anyway;

These reasons are so various and devious that it is difficult to find the controlling reason, outside of political exigency, for the propaganda of lowering prices of the products of the stock raiser and the farmer to supply the centers of population with meat and bread, regardless of whether the stock raisers and farmers are now making a fair profit. I have yet to note a demand on the part of organized labor in favor of the free list.

The controversy here is on the issue of free trade. It is worse than that; it is free trade proposed for farmers and stock raisers, when you couple both the Canadian treaty and the free-list bills together, and a protective tariff for nearly all others, leaving in effect, as these measures do, the tariff of the Aldrich law on fruit, vegetables, and all other products, except certain ones mentioned in the free list. Suppose you extend that theory to the State of Texas. We produce about one-third of the rice that is consumed in the United States. This country produces rice enough to supply itself. It can not compete with India and Japan. We put Bermuda out of business in onions. We ship them all over the world. We ship them to every part of the United States.

We raise cabbage in Texas and ship it all over the United States. If you take the tariff off of those things and buy them elsewhere, what becomes of the great industries of that State? A political platform made by our people; a political platform made by the consumers who get the benefit of what we are producing, get the benefit of our competition with one another, as Texas and Louisiana have done in the case of rice, made it cheaper than it used to be; a political platform that ignores those conditions and enables other countries to come in and take our trade and take our money and put our people out of employment, put them where they can not buy the manufactured articles of the country, would be absolutely suicidal, as

governmental policy, and I take it that no party who believes that that result would happen would undertake to foist it upon the country. I am arguing now to the point that I trust that both Democrats and Republicans will consider that these great industries have not risen up in their might and demanded that this thing be not done on account of the interests having induced them to do it, as I have seen stated from high places. It is their good judgment; it is their ability to make a living, to educate their children, to improve their farms, their churches, and their schools; it is their ability to do that under present conditions which has led them to demand that you do not destroy it, and they do not care whether you levy a tariff for protection or for revenue, but what they care for is that your system shall not destroy their prosperity, and that the system shall, as far as it may, give them a fair chance to make a fair profit, and that it shall accord the same thing precisely to every other industry, and no more.

On the subject of reciprocity, permit me to say that I saw stated by Mr. Moss, of Indiana, in the Congressional Record, that reciprocity started with the farmers and stock raisers, and he points to the fact that a convention was held in 1905, the reciprocity convention, and gives a list of nearly all the farming and stock-raising organizations of this country—the principal ones. He says that that is where it started, and he offered that argument in behalf of this Canadian reciprocity treaty. I do not know whether he had the report of that meeting or not. That meeting was composed of the stock-raisers' and farmers' organizations almost throughout the United States, a very representative meeting. If Senator Cullom were here, he would remember that he addressed that meeting. They appointed a resolutions committee, of which Mr. Foss, the governor of Massachusetts, was one, in my recollection, among the strongest men in the country. Senator Cummins addressed that meeting. It was a well-attended and large meeting, and they were demanding reciprocity. For what? They were demanding reciprocity by taking the high tariff off of manufactured articles from Europe and admitting meats and farm products to Germany and continental Europe, which needed them and wanted to buy them, and for fear that they would be charged with going into the free-trade business they put in their resolution that we recognized as a fact the established policy of affording protection to the agricultural interests of this country, and the resolution itself is in exact opposition to the use which Mr. Moss made of it before the House of Representatives.

I thought I would have the pamphlet here to introduce that resolution. I took it to Senator Clapp the day after I saw that speech in the Record, and I pointed it out and showed him that the resolution passed there was exactly the contrary to the use they undertook to make of it. The sort of reciprocity that they wanted was that which still protected sufficiently the industries here, whether it would be under a protective tariff or a revenue tariff; in other words, that whatever benefits we enjoyed by the home consumption market and production we would not be seeking reciprocity in order to destroy that; what we wanted was a fair opportunity to seek the markets of the world. I wish to incorporate it as part of my statement, if I can find that document. I searched for it this morning, but Senator Clapp is out of the city. I wish to incorporate the resolution passed

there to show the use which the advocates of this particular bill are making of it. I can not understand from my standpoint, never having been in politics in my life, why a Member of Congress will undertake to make that use of that document or those resolutions. Mr. Saunders was made the president of the Reciprocal League.

[From "Proceedings of the National Reciprocity Conference," held in Chicago, Aug. 16-17, 1905.]

The National Reciprocity Convention, representing more than 200 agricultural, commercial, and industrial associations of the United States by delegates assembled at Chicago August 16 and 17, 1905, hereby makes the following declaration of principles:

Whereas the agricultural, manufacturing, and other industries of this country have expanded to such an extent that they can no longer depend upon the home market for the consumption of their entire product; and

Whereas the export trade has become a vital support to many of our industries; and

Whereas the present commercial attitude of the United States, largely owing to our failure to carry into effect the reciprocal trade provisions of Section IV of the Dingley law, is antagonizing foreign nations, whose good will we desire and on whom we have hitherto depended as purchasers of our surplus products: Therefore be it

Resolved, First, that this convention, recognizing the principle of protection as the established policy of our country, advocates reciprocal concessions by means of a dual or maximum and minimum tariff as the only practical method of relieving at this time the strained situation with which we are now confronted.

Second, that eventually the question of the schedules and items to be considered in reciprocal concessions preferably be suggested by a permanent tariff commission, to be created by Congress and appointed by the President, which shall consist of economic, industrial, and commercial experts.

Third, that it is the sense of this convention that our present tariff affords abundant opportunity for such concessions without injury to industry, trade, or the wages of labor.

Fourth, that we urge action upon Congress at the earliest time possible.

We recommend that a permanent organization be formed under the style of the American Reciprocal Tariff League, and that a committee of 15 be appointed by the chair to have full power to organize and further prosecute the work for which the convention has assembled. Said committee shall have power to increase its membership and to fill vacancies when necessary. That the chairman be requested to confer with the committee on arrangements and the various organizations represented at this convention and take the time needed for the proper selection of suitable members.

Respectfully submitted.

E. N. FOSS, *Massachusetts*,
A. H. SANDERS, *Illinois*,
EDWARD D. PAGE, *New York*,
A. B. FARQUHAR, *Pennsylvania*,
W. A. HARRIS, *Kansas*,
FRANK J. HAGENBARTH, *Idaho*,
WILLIAM LARBABEE, *Iowa*,
MURDO MACKENZIE, *Colorado*,
CHARLES P. SENTER, *Missouri*,
MARION SANSOM, *Texas*,
CONRAD KOHRS, *Montana*,
W. H. HATTON, *Wisconsin*,
Committee on Resolutions.

Senator WILLIAMS. Did he state that this reciprocity bill started there, or reciprocity started there?

Mr. COWAN. He said reciprocity started there.

Senator WILLIAMS. Didn't the reciprocity which you have just described start there? In other words, the reciprocity which in the interests of cattle men would benefit them, a reduction upon certain

manufactured articles which they wanted to buy, while it looked to a further introduction of their products in the markets of other countries?

Mr. COWAN. Yes, sir.

Senator WILLIAMS. Did he make an unfair statement when he said that your people did advocate reciprocity? He did not say they advocated this particular agreement of reciprocity?

Mr. COWAN. I make this charge, that the use of this argument was for the purpose of showing that it was not a fact that the farmers and stock raisers were against the Canadian treaty, and he points to the fact of this reciprocity meeting and gives a list of those names in support of it. That is the way I understand it. If I have misunderstood him I am very glad I have.

Senator WILLIAMS. I have not read the speech, but the statement was made that you people started out favoring reciprocity. He seeks to clinch his assertion. It was not this treaty of reciprocity, however.

Mr. COWAN. I make this further statement, that it was unfair to do that without introducing the resolution that they passed. The resolution was expressive of what they thought.

Senator KERN. Mr. Moss is a very conscientious gentleman.

Mr. COWAN. He ought to correct that and introduce the resolution.

Senator KERN. He is a farmer himself.

Mr. COWAN. He ought to correct that, because that does look like an argument that the farmers and stock raisers were in favor of this Canadian treaty, because he was arguing on that subject.

Senator WILLIAMS. Now, talking about inconsistency, I realize the whole situation on both sides. You say there are a lot of defects in this reciprocity. They said it would lower the price of meat to the consumer, but would not hurt the raising of cattle. Have you not argued that while it would lower the price of cattle it would not lower the price of meat to the consumer?

Mr. COWAN. I did not say that, and I did not argue that.

Senator WILLIAMS. Haven't you been equally inconsistent?

Mr. COWAN. What I did say, was, that we would like for some one to answer why the fact that cattle have already gone down 2 cents a pound did not lower the price to the consumer, if to reduce it by taking the tariff off would have that effect.

Senator WILLIAMS. Was not the object of that argument this: To leave the impression that if this went into effect it would lower the price of cattle to the producer of cattle, but would not benefit the consumer by giving him cheaper meat? Is that any more inconsistent than the other fellow's exactly opposite statement that where it would lower the price of meat to the consumer, it would not lower the price on cattle? It just struck me that both the arguments were about on a par.

Mr. COWAN. Perhaps it would and perhaps it would not. I have not contended that putting meats on the free list would not, in the end, reduce the price of meats to the consumer. I admit that it would. I disagree with Mr. Underwood in that regard. Mr. Underwood said that he did not believe it would; that is in his speech. But what I did say was that a condition exists whereby meats have not been reduced—I mean the price to the consumer, although the price in the carcass has declined. It is my opinion, however, that, so long as the importations can only be brought in—and I believe that to

be the case—by the large packing interests which own and control to a large extent the business here, as long as that condition would continue that it would not give the consumers anything like the same measure of relief in the retail price that would be the disadvantage suffered by the reduction in the price of cattle; and I am led to that conclusion for a great many reasons, the main one being that it would dam up the supply and destroy the competitive buying on the market and reduce the price of cattle and fix maximum for prices of cattle fixed by the importer from the meat articles brought in by these same packers, whom we may assume would still continue to get a fixed profit upon the stuff that the importer sells. So, I think that in the end the consumer would buy meat somewhat less, but nothing like in proportion to what the cattlemen would lose; but, in either event, the consumer would be injured through the other causes of the destruction of the great prosperity of the live-stock business.

Senator STONE. If the packers who control the meat supply here would also be the importers, as you say, practically sell imports of meat from Argentina and other countries, and therefore would control the wholesale markets of meat, whether domestic or imported, and not sell it any lower, as they would have no reason to, if they controlled it, why would that result in depreciating the value of cattle?

Mr. COWAN. I think I have tried to make that plain by showing it would produce a still greater surplus and stagnate the business in the West, and take business in the East, by giving them a club to knock us over the head, by destroying the small man who ships cattle to the East and kills them. But, permit me to say this, in that connection, if it would not reduce the price of meat, then all of this matter were a perfectly worthless undertaking.

Senator WILLIAMS. Let me ask him one question. If the retail price of meat to the consumer is in any degree attributable to the packers in combination, would not the admission of that meat, refrigerated meat, frozen meat, break up that combination, or have a tendency to do that.

Mr. COWAN. Not if they brought it in.

Senator WILLIAMS. But, I mean by that the meats that other people elsewhere, in Australia, New Zealand and Canada, presuming they do that or would do that, have it refrigerated there, frozen, ready for export, and which they exported into the United States. Is not the meat packers' business what you call "dressed meats"?

Mr. COWAN. Yes.

Senator WILLIAMS. If dressed meats were introduced free of duty in competition with the packers' product, would that have a tendency to break up the combination?

Mr. COWAN. Between the packer and the retailer that might be true; but the assumption that there may be a combination between the packer and the retailer, and therefore meat should be put on the free list to break that up and at the same time to destroy the farmers' business—it is a remedy that would be suicidal to the country to comply with when there ought to be some other remedy to break up a combination, as has been done in the Standard Oil case; if it can be proven, it can be broken up. If you can not prove it, why pass

a law as though it were a fact? Why pass a law as though it were true?

Senator WILLIAMS. Would it not be more difficult for the Meat Trust to grab the dressed-meat product of the whole world than that of the United States?

Mr. COWAN. Certainly, that ought to be the case.

Senator BAILEY. Mr. Cowan, I understand that while I was out with some of my constituents a moment ago Mr. Stone asked you what kind of cattle were imported from Mexico free of duty?

Mr. COWAN. Yes; and I could not answer because I did not know.

Senator BAILEY. The same rule applies to Mexico as to all other countries. There is no difference. The cattlemen who ranch along the Rio Grande frequently had cattle to cross the river, and I am not sure whether we passed a law or arranged with the Treasury that they might go over there and bring them back.

Mr. COWAN. I know now, but I did not think of it when Senator Stone was talking.

Senator SMOOT. Are they called "exported" cattle?

Senator BAILEY. They ought not to be, but the Treasury Department at one time held that people could not go across the river and get their cattle.

Senator SMOOT. Were they cattle that came here for show purposes or were they breeding cattle that came over as provided under section 492 of the present law?

Senator BAILEY. For many years we have allowed those for breeding purposes to come in free of duty, and the last law permitted those to come in for exhibition free of duty, but that is true of cattle no matter what country they come from. There is no difference in our law as to Mexican cattle and any other. But there is this difference, Judge Cowan, made during the last session of Congress, with respect to tick-infested cattle, but so far as the duty is concerned, there is no difference.

Mr. COWAN. Mr. Lasater makes the suggestion that it might clear that up in part, that Mexicans may have crossed to live on this side of the river, and they would have a little bunch of cows that they might bring across for breeding purposes without importation. He does not think that it is the case. It is unimportant if not over a couple of thousand head of them.

Senator SMOOT. Section 492, present tariff law: "Cattle, horses, sheep, or other domestic animals straying across the boundary line into any foreign country, or driven across such boundary line by the owner for temporary pasturage purposes only, together with their offspring, may be brought back into the United States within six months free of duty, under regulations to be prescribed by the Secretary of the Treasury."

Senator BAILEY. I knew that we attended to that, but I was not sure whether by regulation of the Treasury Department or by legislation.

The CHAIRMAN. The committee will now adjourn until half past 3 o'clock this afternoon, at which time we hope to make an effort to complete the cattle hearing.

(Thereupon the committee took a recess until 3.30 o'clock this afternoon.)

MEAT CONSUMPTION PER CAPITA AND DECLINING RATIO.

[Taken from Bul. 55, U. S. Department of Agriculture: "Meat supply and surplus."]

(Page 70.) Consumption of meat animals declined per capita 25.2 per cent from 1890 to 1900.

From 1840 to 1900 declined 40.7 per cent.

The domestic consumption per capita (as shown on p. 70) in 1900 was, cattle 0.153 of an animal, calves 0.077 of an animal, hogs 0.546 of an animal, sheep 0.155 of an animal, total, 1.069 of an animal.

Estimating the present population of the United States at 93,000,000, and that the falling off in consumption of meat during the past decade equals the falling off between 1890 and 1900, namely, 25 per cent, the number of animals required to supply the demand for home consumption in 1911 is—cattle, 10,671,750; calves, 5,370,750; hogs, 37,923,500; and sheep, 10,811,350.

(Page 90.) Consumption of meat animals in the United Kingdom in 1903: Artisans, mechanics, and laborers, 107 pounds; lower middle classes, 122 pounds; middle class, 182 pounds; upper class, 300 pounds; average, 121.8 pounds per capita.

Germany, for all classes, 98.7 pounds per capita.

France, for all classes, 78.9 pounds per capita.

Italy, 46.5 pounds per capita.

Page 98, table 59, shows per capita consumption of meats, all countries.

Per capita consumption of dressed weight, United States, including extra edible parts (Table 34, p. 73): Beef, 93.8 pounds; veal, 10.7 pounds; mutton, 14.9 pounds; hogs (including lard), 101 pounds. Total, 220.5 pounds per capita.

LETTERS FROM PROMINENT STOCK RAISERS AND RESOLUTIONS OF LIVE-STOCK EXCHANGES OF CHICAGO AND EAST BUFFALO ILLUSTRATIVE OF OPPOSITION OF STOCK RAISERS TO FREE MEATS AND THE CANADIAN RECIPROcity TREATY.

EAST BUFFALO LIVE STOCK ASSOCIATION,
East Buffalo, N. Y., May 8, 1911.

Hon. S. H. COWAN, Washington, D. C.

DEAR SIR: Acknowledging receipt of your favor of the 25th ultimo, regarding the free importation of dressed meats, and replying to same, beg to say that the dealers at this market, members of this association, and, so far as I am able to learn, the patrons of the market generally, consider that the removal of all duties from dressed beef, as provided in the so-called farmers' free-list bill, would have a most damaging effect on the cattle business of the country, and especially of this particular locality. Our demands are, of course, from the East, and we would be the first to feel the effect of having such supplied from other sources.

I regard to the free admission of mutton, the result would undoubtedly be worse than with regard to beef, because of Buffalo's prominence as a sheep and lamb market and the extensive supplies we send East. It would seem that there could be no question of the generally bad effect which the free admission of mutton would have on the sheep business of the country, which appears to be in none too good shape as it is. Undoubtedly the damage done to the live-stock industry by the free admission of meats would be reflected upon corn and other feeds.

The range in prices at this market has not been greatly unlike that at other markets with which you are doubtless familiar, taking into consideration the higher freight rates. Our receipts of local sale stock have declined the past few years, due, however, chiefly to shortage of supplies in our territory, but we are now on the increase, receipts for the past four months being about 3,000 cars in excess of those for the corresponding period of last year. I inclose statement of receipts for the past 10 years.

As having some bearing on the matter locally and as being of possible interest, I inclose clippings from recent issues of a local paper.

Very truly, yours,

C. F. WATKINS,
Secretary and Traffic Manager East Buffalo Live Stock Association.

Receipts, in carload lots, of live stock of all kinds for local sale at the East Buffalo market.

Years.	Cattle (car- loads).	Hogs (carloads).		Sheep (carloads).		Mixed carloads (cattle).	Total.
		Single deck.	Double deck.	Single deck.	Double deck.		
1901.....	7,459	14,029	5,110	3,887	5,461	3,234	38,680
1902.....	8,031	14,620	5,371	4,230	5,906	3,447	41,006
1903.....	9,264	16,829	5,446	5,628	4,497	3,504	45,150
1904.....	10,154	17,332	4,697	6,958	4,809	4,229	48,161
1905.....	8,566	14,256	4,206	4,508	4,011	4,261	39,808
1906.....	8,019	12,851	3,978	3,747	4,766	4,106	37,467
1907.....	7,981	14,580	4,853	2,909	4,636	3,772	38,730
1908.....	5,598	13,737	5,399	2,391	3,728	3,141	33,989
1909.....	5,770	11,191	4,663	2,138	4,372	4,177	32,311
1910.....	6,252	10,843	3,932	2,236	3,590	4,344	31,197

The above represents, in numbers of head, cattle, per carload, 25; hogs, per single-deck carload, 80, per double-deck carload, 160; sheep, per single-deck carload, 100, per double-deck carload, 200. Mixed carloads average about 10 head of cattle, with the remainder of the load composed of hogs, sheep, or calves.

[From the Buffalo Evening News of Apr. 24.]

FREE MEAT.

I see by yesterday's papers that the Buffalo Live Stock Association has sent a protest to Congress against placing meat on the free list. Such protest is entirely in the interests of the wholesale meat dealers and it certainly does not favor the farmer or the consumer. Under the present system the wholesale men have too much power in the control of the markets, as most of the meat has to pass through their hands and they can, to a certain extent, fix the price both for the producer and the consumer. Now, if such meat was put on the free list, it would lessen their power, and the consumer would find the prices more favorable, while at the same time the farmer would find that he had a more open market with better prices. If live stock is to be admitted free, why should not meat be so admitted and give the consumer an equal chance with the meat trust? Why not?

The fact is the producer and the consumer both would be benefited by the passing of the reciprocity bill.

JASON D. AMES.

BUFFALO, April 21, 1911.

[From the Buffalo Evening News of Apr. 29.]

FARMERS' FREE-LIST BILL.

We notice in last evening's edition of the News a letter signed by Jason D. Ames criticizing the action of this association in entering protest against the placing of meats on the free list, claiming that such protest is entirely in the interests of the wholesale meat dealers and that it is certainly not in favor of the farmer or the consumer. The idea is further advanced that with meats on the free list a condition of affairs would, in some way, be brought about whereby the consumer would obtain meats at lower prices, while at the same time, the farmer and stock raiser would have a better market for their live stock and obtain higher prices, the reasoning of all this being difficult to follow. The question is also asked, If live stock is to be admitted free, why should not meats be so admitted? The opinion is also expressed that both the producer and consumer would be benefited by the passage of the reciprocity bill.

It would appear that the writer of the letter did not very clearly understand the situation, either with relation to the live-stock and meat business or to the bills under consideration. This association certainly entered no protest against the reciprocity bill. We understand that reciprocity means that the parties to such agreement will mutually reciprocate—will give and take on equal terms—and the reciprocity agreement provides for the free interchange between the United States and Canada of all kinds of live stock and the interchange of meats between these two countries at 1½ cents per pound. The bill has passed the House and probably will become a law. Following this, however, the so-called farmers' free-list bill was introduced, placing meats on the free list, not with relation to importations of meats from Canada alone, but from any and all countries, and this is what we are protesting against. Such action might reduce the prices of meats somewhat, but it might also tend to the reduction of some other things; wages, for instance, in some lines of employment, and in any event it would be difficult to see wherein it could benefit the farmer and stock raiser.

With the enactment into law of the reciprocity bill, followed by the passage of this free-list bill, the situation locally would be that packing concerns across the border, at Toronto, Hamilton, or other Canadian cities, could export meats of all kinds to this country free of duty, while if our local packers wished to do business in Canada they would be required to pay 1½ cents duty on every pound of meat sent there. Would not such an arrangement operate disastrously to the great packing industry of this city, and to Buffalo's live stock market, which is productive of bank clearances in excess of \$100,000,000 annually, and to the live-stock producers who patronize this market? We believe that it would, and this association is of the opinion that such a situation would not be for the best interests of this city or of this country, hence our protest.

EAST BUFFALO LIVE STOCK ASSOCIATION.
C. F. WATKINS, Secretary.

BUFFALO, April 25, 1911.

FORT COLLINS, COLO., April 27, 1911.

MR. T. W. TOMLINSON.

MY DEAR SIR: I am informed that you expect to be in Washington, D. C., the fore part of May, 1911, and that you expect to appear in Congress before the Finance Committee; if so, I hope you will put in a protest for us in northern Colorado against the passage of the Canadian reciprocity treaty and the agricultural free-list bill. In northern Colorado we fed about 80,000 sheep this last winter, and our loss on them is not less than \$130,000. We did not pay an exorbitant price for them last fall, but the price of live meats at the markets is so low that it has ruined thousands of farmers and feeders, for the most of the feeders are farmers; and now, if these bills become law, and allow meats and grains to come in free, what will become of our stockmen and farmers who are burdened with high taxes and high labor? Our Congress has made such a boohoo about the high cost of living for the past six months until they have reduced the selling price of meats and grains, and how much cheaper are we buying them from the retail man? And whatever reduction has been made, it has been made at the expense of the feeder and farmer. Mr. Taft told the farmers of Kansas how much more they were getting for their wheat, owing to a Republican administration. I wonder if he really meant this or did he intend to pull the wool over their eyes. I can not help but believe in the latter. They may make laws, make treaties with other nations, and they may break up all the stockmen and farmers and feeders in doing it, but they will never reduce the cost of living, only at the expense of some one, until they dispose of the commercial man, who is adding 50 per cent to every beefsteak we eat and every loaf of bread, and, in fact, to everything we eat, wear, or use. Now, Mr. Tomlinson, if there is anything you can do or say, do it, and we will never stop thanking you.

I am, yours, respectfully.

BENJ. PRESTON,
Fort Collins, Colo.

R. 4—Bx. 61.

MAY 3, 1911.

Mr. S. H. COWAN,
*Attorney for American National Live Stock Association,
New Willard Hotel, Washington, D. C.*

MY DEAR MR. COWAN: I am advised by our secretary, Mr. Tomlinson, that on the 10th of this month there will be a hearing before the Finance Committee of the Senate on the Canadian reciprocity treaty, at which you will be present to represent our association. Personally and as a member of the executive committee of the association, I express the opinion of a great majority of the stockmen of the West when I say most emphatically that the Canadian reciprocity as proposed is the worst measure that has been before Congress in a long time, and is decidedly opposed to the best interests of the live-stock business in the West.

Mr. Tomlinson suggests that I be present at the time of the hearing, but this is quite impossible, and I am sure that writing you and to our Senators will do as much good as I could do if personally present.

I believe that you represent the greatest association in the United States. The welfare of the live-stock interests is the welfare of every other class of business, and the downfall of the former is the downfall of the latter.

If conditions generally in the United States were similar to conditions in Canada, the Canadian reciprocity is a good measure. It is apparent, however, that there is no similarity whatever in the vital elements of the two countries. Our products can not compete with Canadian products, when labor in this country is double the cost of labor in Canada. There is about 50 per cent difference in the price paid for feed. Hay worth \$4 a ton in Canada commands a price of \$8 per ton in the United States. The profit in the live-stock business is small, as conditions are now, and with competition with Canadian products a reality, the ranchman in the West would simply have to go out of the business.

I will inclose copies of letters mailed to Mr. Clark and Mr. Warren, our Senators.

I trust that the large amount of information that you will receive on this subject and the agitation started by the association will convince the honorable Senate that the Canadian reciprocity is a measure that is injurious to the highest degree to the most vital business of the country.

I have great confidence in your ability to present this matter forcibly to the committee.

With best wishes for your success, I am,
Very sincerely, yours,

C. N. WALTERS.

CAREYHURST, WYO., May 2, 1911.

Mr. S. H. COWAN,
New Willard Hotel, Washington, D. C.

DEAR SIR: I am in receipt of a letter from Mr. Tomlinson, requesting me to go to Washington to join with you and others in protesting against the passage of the Canadian reciprocity bill and the bill putting meats upon the free list.

I very much regret that it is impossible for me to go to Washington at this time.

As you know, range conditions in this country have changed entirely. No longer is it possible to turn cattle upon the open range and allow them to range at will. It is now necessary to feed all cattle through the greater part of the winter, and in order to do this it has been necessary for all of us to increase our land holdings and to cut down our herds. At one time our company had 40,000 head of cattle, and to-day we have 7,000. It is costing us more to run the 7,000 than it did to run the 40,000. Our business during the past year did not net 5 per cent on the capital invested. Our cattle, while they are better bred, do not weigh as heavily as they formerly, and the expense of maintaining large ranches eats up the profits.

The sheep men in this section have made no money for the past two years. The loss in sheep during the winter of 1909-10 was from 33 to 50 per cent. To run sheep on the open range without feed is an impossibility, and nearly all sheep men are feeding corn during the winter months, some of them hauling it as far as a hundred miles. This extra cost, the low price of wool, the money tied up in lands, and the losses make the business profitless.

Wages have increased. Ten years ago men were plentiful and we were employing them for \$25 per month. To-day we are paying from \$35 to \$45.

'To board our men is costing from \$3 to \$5 more per month for each man employed.

The large range cattle companies are a thing of the past. I do not think that there are half as many left in this State as there were formerly in this county. The cattle are being raised by the small ranchman or by the few large concerns that have developed hay ranches to take care of them.

It is impossible to make a living farming in this country, except by owning live stock or selling the feed raised to parties who own live stock. Markets for farm products are far distant, and all that is raised must be marketed at home.

A few years ago I had 2 cars of wheat to sell. To ship this wheat to the nearest mill cost 40 cents per 100 pounds, and we are located on a railroad. I simply mention this to show that all crops raised must be fed to live stock at home.

In the thickly settled sections, where there is no open range, the farmers have, for the past few years, been feeding lambs for market. This enables them to dispose of their crops, which they could not do otherwise. Some of them have made money, while others have lost. During the past winter they have all lost money.

It is absolutely impossible for the people of this State to compete with countries where they still have open range, where labor is cheaper, and where meat can be produced for less money. The development of Wyoming depends upon agriculture, and agriculture depends upon the live-stock industry in order to market its products.

The passage of the Canadian reciprocity bill and the admission of free meats simply means the end of development in this State for many years to come.

Yours, truly,

ROBERT D. CAREY.

FARMERS' EDUCATIONAL AND COOPERATIVE UNION OF AMERICA,
Denver, Colo., May 8, 1911.

S. H. COWAN,
New Willard Hotel, Washington, D. C.

DEAR SIR: Being you are interested in opposing the purpose of Canadian reciprocity, our association would feel very grateful to you if you would bespeak our sentiments in opposition to this measure. I feel that this measure is so discriminatory against the agricultural class that there is no justification whatever in its passage. Unfortunately the agricultural class have not been organized and have not had the capital to protect themselves in legislative matters and any assistance that we can get from you in this matter will certainly be appreciated.

Yours, truly,

JOHN GRATTAN.

UNDERWOOD, WYO., *April 28, 1911.*

Mr. S. H. COWAN, *Washington, D. C.*

DEAR MR. COWAN: I just have a letter from Mr. Tomlinson in regard to my going to Washington to appear before the Finance Committee of the Senate about May 10.

I want to do anything I can to help the association and this work, but a trip of that kind catches me on pretty short notice just now. If it would be possible to delay the matter a week I could probably make it. Just now we are trying to get our spring rush out of the way and most of this depends upon me as we simply can not get help at this time that we can depend on a holy minute. Again unless you think I would make you a good witness there I would not want to put the association to that expense.

I will say for your information now that if cattle and meats are put on the free list without some sort of a trade agreement with foreign nations where we could obtain some benefit by the move it will absolutely ruin a large number of cattlemen in our State. In our own particular business we have not cleaned up a dollar in the last two years, and the prospects at present look more like a grand liquidation this fall than any time we have been in the business. We have had a bad drought now for about two years with prospects much worse now than ever. I do not say it with conceit, but when my father and I can not make the thing win there is not a cowman in this part of the State that can.

A year ago the Government forced us to sell our she stuff by its autocratic rule on the public domain. We put this money back into steers on the Denver

market. They stood us here \$30 per head. Last winter we fed them about a ton and a half of hay each, to bring them through, that we were offered \$20 per ton for. At this time these cattle would not sell for what we have in them, and we are turning them out on our range, where we could not keep them alive last fall, and 12,000 sheep have grazed the entire range for five months since we took in the cattle. With no moisture on that land for over eight months, we are unable to see where we will, by the very best climatic conditions from now, which are not apparent, be able to get our money out of those steers. We will be forced to sell them, as we do not expect now to cut a third of a crop of hay this year. In regard to our hay, will say we cut more hay than any one ranch in 50 miles around us, and more than most any four. We run less cattle than any ranch within a radius of 10 miles of us. A great many of our neighbors are in debt, and if they are forced to liquidate this fall at bad prices it will ruin them. As you understand, a free-list measure would go into effect about the time the cattle from this section would be going to market. Anything above the ordinary chances for a market glut at that time would simply be a panic for our part of the country. In my county, Laramie, the stockmen pay one-third of all the taxes. Our county valuation is about \$32,000,000. We pay more taxes than Cheyenne, the capital of the State. We pay more taxes twice over than all the railroads, telephone, and telegraph companies in this county.

When hides were placed on the free list Congress took out of our pockets the amount of each cattleman's taxes. Another reduction now will simply ruin us.

When the Government forced us to go back to the range business it caused us to take a shrink of about 100 pounds to the animal on our shipping stuff. Steers 3 years old that we had been shipping for several years to South Omaha, a 500-mile haul, out of a pasture, weighed there on an average of 1,250 pounds. Last year the same stuff from a range condition only weighed 1,160 in Denver, a 160-mile haul, where hay and water are far better than on the South Omaha market. We do not have many cattle to ship. We average about 60 steers a year, and these are strictly high-grade Herefords. We sold in Omaha two years ago the highest-priced two loads of feeders ever sold on any market at \$8 per hundred flat, weighing 1,260 pounds. Last fall the same cattle in quality, and not as good flesh, though, brought \$5.50 and weighed 1,160; but only one car of them; the balance went down to \$5 per hundred.

When Congress starts in to reduce the cost of living to the laboring man it must remember that we buy the same things. If the laborer is entitled to shorter hours and increased wages, we are certainly entitled to a fair profit on our products if we are compelled to labor 12 to 14 hours a day every day in the year. I could tell you a great deal about labor as it affects our business and the expenses we are up against if you want that.

If you think it necessary for me to come you might wire me care Dan. E. Clark, Cheyenne, Wyo., and he will mail it to me. I will do all I can to arrange my work to get away. I have some water to get fixed up on the range, and we sort of have to locate the cattle some before we can let them go. As we have no men, or can not get them to do this, it is up to me. My father, a man 60 years old, is a-tramping these meadows about 12 hours a day trying to get what little water we have onto the meadows for next winter's hay.

Very truly,

J. C. UNDERWOOD.

THE CHICAGO LIVE STOCK EXCHANGE,
Union Stock Yards, Chicago, Ill., May 12, 1911.

Mr. S. H. COWAN,
New Willard Hotel, Washington, D. C.

DEAR SIR: President Jones directs me to say that ever since the receipt of your telegram of the 4th instant announcing the date for hearing before the Senate Finance Committee on the free-list bill for May 15 he has been using his best endeavors to arrange for a "good, well-posted representative" of this exchange to appear before the committee and assist you in the effort you are putting forth for the protection of the live-stock industry, but so far, owing to absentees and other causes, has been unable to find anyone well enough posted on the situation to render you any material assistance.

He has taken the matter up with President Boren, of the national exchange, urging him to take such action as you request of us in the matter of representation before the committee.

He has also caused to be passed by the exchange and presented to both branches of Congress a strong resolution protesting the passage of the Underwood bill, a copy of which protest I beg to hand you herewith.

Wishing you success, and assuring you of our desire to do all in our power for the best interest of the industry, I am,

Very respectfully,

C. W. BAKER,
Secretary.

Whereas live stock and its products and all farm and ranch products ought, in justice, to receive the same measure of protection accorded to the production of other industries of the United States in the form of import duties; and

Whereas we believe it to be to the interest of the public and the sentiment of the live-stock producing interest and of the farmers of the United States that live stock and its productions and the productions of the farm and ranch should receive an equal and equitable share in whatever benefits may flow from any system of import duties to other productions and industries; and

Whereas it is proposed by the so-called Underwood bill (H. R. 4413) introduced in the House April 12, 1911, to place all meat-food products upon the free list, while retaining import duties upon certain manufactured products and articles in no sense beneficial to the best interests of the United States and especially injurious to the live stock and farming industries: Now, therefore,

Be it resolved by the Chicago Live Stock Exchange, an organization of upward of seven hundred members, engaged in breeding, raising, feeding, shipping, buying, selling, slaughtering, and exporting all kinds of live stock, That it insists upon a fair and just duty upon live stock and its products and upon all products of the farm and ranch and are unalterably opposed to placing the same upon the free list.

That we are opposed to the enactment of the said Underwood bill because it is unjust and discriminatory as against our membership and its constituency among the live-stock and farming interests of the United States.

Adopted by the Chicago Live Stock Exchange May 2, 1911, and recorded in both branches of Congress.

AFTER RECESS.

At the expiration of the recess the committee resumed its sessions, and, after considering H. R. 4412, at 4.45 resumed its consideration of H. R. 4413.

The CHAIRMAN. Mr. Burke is here from Nebraska, waiting to be heard.

STATEMENT OF E. L. BURKE, OF GENOA, NEBR.

Mr. BURKE. Mr. Chairman and Senators, I wish to address you, not as the representative of any particular organization, but simply as one of a great many thousand western men who are engaged in the growing of grain and the producing of beef and pork for the market.

The CHAIRMAN. Where do you reside?

Mr. BURKE. I reside at Genoa, Nebr., right in the heart of one of the best corn belts in the United States, and of course, therefore, of the world.

Now, I wish to make the distinction clear between the feeder and the range man.

Senator BAILEY. Mr. Burke, right there, in order that the committee may know your knowledge and experience in this matter, I will ask you if you have not been extensively engaged in the business of feeding cattle?

Mr. BURKE. Yes, sir. I have followed the production of beef and pork and the raising of grain for the last 23 years. It is the only thing I ever did. Now, just as an aside, I am a good deal surprised not to see more men from my part of the country, from the corn belt,

we will say, and the other side of the Mississippi, here waiting for a hearing before this committee.

Senator BAILEY. Mr. Burke, I think that is probably my fault rather than theirs. I suggested to the gentlemen who represented the cattle interests that it would be better to send three or four men here who knew all about the cattle industry than it would be to send a larger number, and thus to divide their time. I will say that in justice to them.

Mr. BURKE. I want to assure the committee that it is from no lack of interest in this proposition that the men from the West are not here. They perhaps have not fully awakened to the situation yet, and I think as a general thing the farmers of the West are of a pretty confiding disposition, and they are trusting to the members of the committee to stand between them and any wrong or injustice.

Now, I will read my address:

I believe there is a great lack of appreciation of the relationship between the live-stock industry in its various forms and the productivity of our farms. I apprehend that few of those who favor the placing of meats on the free list have ever looked beyond the immediate results hoped for and figured out the ultimate consequences to the country. The results are bound to be far-reaching and go clear to the bottom of things. No action should be taken hastily for the sake of a temporary gain, which in the end might turn out to be a public calamity. The very high prices for live stock during 1910 are no doubt largely responsible for the agitation in favor of free meats. They were the result of very unusual natural conditions, which might not occur again in a generation. There had been a succession of very high-priced years for corn, making it profitable for farmers to curtail the feeding of live stock. This was followed by most extraordinary severe weather conditions throughout the feeding country in the fall and early winter of 1909, forcing to market immature live stock by the thousands, to be followed later by one of the most pronounced shortages in fat cattle, sheep, and hogs the country has ever experienced; at a time, too, when the country was at the height of prosperity and consumptive capacity. The result was inevitable; prices reached exorbitant figures, and the consumer had to suffer. All that is changed now, and prices for meats are back again on a normal basis.

I perhaps should say live stock, live cattle, beef cattle on the hoof; the prices for cattle on the hoof are back again on the normal basis. The matter was gone into very thoroughly yesterday. But it took a long time for these normal prices on the hoof to reach the normal prices to the consumers. They will probably reach the consumers in time, but it certainly does take a long time for it to get there.

Senator SIMMONS. What do you mean when you say that the prices are now on the normal basis?

Mr. BURKE. I mean that the prices for fat cattle and sheep are at about the average price they have been for the last five or six years; about what they are likely to be now, with normal crop conditions.

Senator SIMMONS. Do you mean to say by that that prices have been, during the last two years, high?

Mr. BURKE. I should say they have been abnormally high, not for the last two years, but for the last year and a half.

Senator SIMMONS. Do you mean by that that they have been above a reasonable profit to the stock raiser?

Mr. BURKE. I do not say that they have been above a reasonable profit to the stock raisers.

Senator SIMMONS. Do you mean to say that now the prices are upon a basis of reasonable profit?

Mr. BURKE. No; they are below a basis of reasonable profit to the stock raiser, owing to the fact that the stock raisers—I should say the stock feeders, it is a feeding proposition I am discussing now—the stock feeders were foolish enough to buy these cattle at these abnormally high prices last fall. We have slumped to the lowest range of prices, and the stock feeder is caught in the meshes, and, of course, is suffering a loss, as I will show by a statement and figures, which I wish to submit here.

Senator SIMMONS. In other words, you mean that it is about the average price that has obtained during the last six or seven years?

Mr. BURKE. Now?

Senator SIMMONS. Yes.

Mr. BURKE. On foot.

Senator SIMMONS. Without referring to whether the present price is on a basis of profit or loss?

Mr. BURKE. Yes, sir.

Senator LA FOLLETTE. What were the abnormally high prices of the last year and a half due to, or perhaps I anticipate you?

Mr. BURKE. Not at all. The abnormal prices of a year ago were due very largely to the fact that we had had very high prices for corn for a number of years preceding the winter of 1909-10. Prices had been so high that it was more profitable for the farmer to market his corn and grain in that shape than it was in the shape of live stock, and he rather withdrew from the business and got to breeding less pork and feeding less cattle and sheep, and the early winter of 1909-10 was very severe all over the feeding belt. The severe weather came on before the farmer had gotten his corn out of the fields and forced him to market live stock very early in the season, which he otherwise would have held for a higher market. The result was that when it came later in the winter they were abnormally short of supplies, and the very high prices of a year ago developed.

Mr. COWAN. Will you allow me to ask just one question: Owing to the conditions that have come about in the last three or four years, do you know, Mr. Burke, whether the feeder, the raiser of the feeder—that is, those who raise the feeders—can profitably raise them, however, at less price than they are bought at now?

Mr. BURKE. I do not pretend to know just what the raiser can do. I am not in the raising business. We buy the cattle from the raisers just as cheap as we can buy them, and I could not answer whether the producer can bring his cattle up to the point where we take them for less than they are now bringing profitably or not. I could not answer that question.

Senator STONE. You are a cattle feeder?

Mr. BURKE. I am a cattle feeder. We are not breeders and producers of cattle except from the time we get them to make beef out of them.

Senator STONE. You go to Omaha and every place?

Mr. BURKE. We buy some few cattle in Omaha, but mostly all over the western country, wherever we can buy them the cheapest. If they put this reciprocity business through we will buy some of them in Canada a good deal cheaper than we can buy them here.

Senator STONE. Do you know you can?

Mr. BURKE. Yes.

Senator STONE. Have you ever bought any in Canada?

Mr. BURKE. We have not bought any in Canada on account of the duty, but if the duty goes off of them we will go to Canada the first thing we do.

Senator BURKE. Suppose you found the cattle were higher up there than in Nebraska?

Mr. BURKE. We would try to buy them wherever we could buy them the cheapest. If we can buy them cheaper in Canada, as we have every reason to believe we will be able to do, we will go to Canada to buy them, regardless of the producers in this country.

Senator STONE. Undoubtedly, if you could buy them cheaper, but what kind of cattle do you feed; are they butcher stuff or for export?

Mr. BURKE. We feed steers. We generally buy steers that weigh 1,000 pounds and mature them until they weigh about 1,300, and feed them about five or six months. They are what are called prime cattle in Chicago. When finished they bring prices pretty well up to the top; within 30 or 40 cents a hundred of the top prices.

Senator STONE. How do these cattle sell in Chicago as compared with cattle of like kind in Toronto?

Mr. BURKE. I could not tell you. I do not know, but it is my opinion that they sell for more money in Chicago than they do in Toronto, for the simple fact that the packers have their buyers in Toronto buying cattle for export there rather than buy them in Chicago. They are just like we are; they go wherever they can buy them the cheapest. I know they have their buyers in Canada buying export cattle because they buy them there cheaper than they can buy them in this country.

Senator STONE. Do you know what they pay for them?

Mr. BURKE. Do I know what they pay for them?

Senator STONE. Yes.

Mr. BURKE. No; I do not. I suppose the price varies from day to day and from month to month.

Senator STONE. It does, but I mean as compared with the price in our central market?

Mr. BURKE. No; I do not know. I suppose it varies. I suppose at times the prices in Canada may come pretty close to the prices here, depending on local conditions.

Senator STONE. That is all.

Mr. BURKE. I take it that most all of those who favor the placing of meats on the free list have in view two objects—first, a reduction in the cost of living, and, second, the introduction into this country of competition for the four or five big packing concerns popularly known as the Meat Trust—the Beef Trust. Doubtless the first object would be attained. Meat would be cheaper, but instead of providing a competitor for the packer you would furnish the producer with one. The packers have been accused of almost every crime on the calendar, but their worst enemies have never charged them with being unable to protect their own interests. The packer is the middle

man, and you will find him ready for free meats when the time comes. While you discuss the question he is probably laying plans to enlarge his operations in the Argentine, already large, and it will be a comparatively simple matter for him to establish dressed-beef plants in Canada and Mexico whenever his interests require it. By having both domestic and foreign plants he will be in an even more favorable position than he is to-day with reference to the few independents left in the business. These few are mostly in the cities of the East, which the packers can most easily reach with a flood of cheap imported beef. One certain result would be the elimination of this competition.

The brunt of it all will fall on the domestic producer of meat. Beef, mutton, and pork are so closely related that overproduction in any one of them is promptly reflected in the price of the others. The price of beef cattle at the present time is a striking example of this sympathetic action. If margins of profit in the production of meats in this country were wide, the question would not assume such great importance, but such is not the case.

Now, I might say here that the receipts during the past six months as compared with a year ago of these hogs and sheep have increased probably at least 50 per cent as compared with a year ago, while the receipts of cattle at the central markets of which I am speaking in this country have been practically the same as a year ago. Now one would suppose if the price of beef cattle acted independently they ought to be somewhere near the prices of a year ago, but such is not the fact. Mutton, hogs, and sheep go down promptly with these increased receipts, and instead of cattle holding their own they slump right along with them. The result is we have had a decline as compared with a year ago of from \$1.50 to \$2 a hundred in the price of such cattle as we put on the Chicago market. If the margin of profit in the production of meat in this country were—

Senator SIMMONS (interrupting). Won't you let me ask you a question right here? You say you have had a slump of from \$2 to \$2.50?

Mr. BURKE. No. If I said from \$2 to \$2.50 I misstated. It is nearly \$1.50.

Senator SIMMONS. You said \$1.50 to what?

Mr. BURKE. \$1.50 to \$2 in the price of such cattle as we produce for the market.

Senator BAILEY. Per head or hundred?

Mr. BURKE. Per hundred.

Senator SIMMONS. That has been true pretty uniformly throughout the country?

Mr. BURKE. Yes, sir. That is as represented by five or six leading live-stock markets in this country.

Senator SIMMONS. Has there been a similar decline in prices in Europe?

Mr. BURKE. That I could not say, but I suppose there has been a corresponding decline, because, in spite of the fact that we have had this big decline in prices of cattle here, we do not seem to have greatly enlarged our exports of live cattle or dressed beef, and if prices in Europe were not low, if they had remained high, we would have greatly increased our exportations.

Senator SIMMONS. Is it not a fact that the exports have fallen off?

Mr. BURKE. I would not say that in comparison with the high prices of a year ago, I would rather think the other way, that they had probably slowly increased as compared with a year ago, although I would not vouch for it. That would be my opinion, that the exports of live cattle and dressed beef were somewhat larger than they were a year ago when prices were practically prohibitive, as far as exports were concerned.

Mr. COWAN. The figures show just the reverse, if I may suggest.

Mr. BURKE. Have you the figures on that?

Mr. COWAN. I submitted them this morning.

Mr. BURKE. Have you the figures now as compared with a year ago?

Mr. COWAN. They have already been submitted.

Mr. BURKE. That does not look like a natural condition.

Mr. COWAN. It is not, but it is because the Argentine beef is so much cheaper in England, and the Canadian beef, that we can not compete with it.

Mr. BURKE. Well, it is going down; even faster; that Argentine beef is declining even faster than beef in this country.

Mr. COWAN. I know; but our beef is on a plane higher.

Mr. BURKE. I am speaking of the relative planes. If beef in this country were declining faster than the beef in Argentina, we ought to be exporting more cattle now than a year ago. I think that is a sound proposition.

Mr. COWAN. The London market went down about the same as it did in New York.

Senator SIMMONS. That is what I inquired; that is what I wanted to know.

Mr. COWAN. The figures show that.

Mr. BURKE. I thought you wanted to know if the exports had been increasing this year.

Senator SIMMONS. No; I asked him if there had been a similar decline in prices of beef.

Mr. BURKE. I think so; there was, or we would have been sending considerable cattle over there. There would be an immense margin of profit in it.

The competition is of the fiercest sort in the purchase of live stock and grain to fatten them, and when it comes to the selling, you all know how the market varies. We have got to sell our cattle at that central market to the packers. When we buy them we buy them in competition with thousands and thousands of men who are feeding all over the country. So if there is a keen competitive market in this country it is in the purchase of these feeders which we buy from the western men. Did anyone ever hear of a cattle-feeders' combination, or a pig-raisers' combination? The margins are so small that the only way that the production of beef in this country can be conducted profitably on a large scale is in connection with the development of large tracts of land, utilizing by-products of the farms that would otherwise be wasted, using lands that would otherwise lie idle, and increasing the fertility of the soil of the farm land by the use of fertilizers from the feed lots.

These statements can easily be proven, and are abundantly borne out by old wrecks of feeding plants strewn throughout the Middle

West, which were organized on the theory that feeding live stock per se would prove a profitable business. Fortunes have been sunk in it. If you make the feeding of live stock on the farms of this country unprofitable by introducing cheap foreign meats, you will destroy the greatest force for conservation there is in the country to-day, and incidentally you will depreciate the value of all of our farms. Force the farmers to haul grain to market instead of driving it on foot and you make them robbers of the soil instead of conservers. Without stock the clovers, the greatest fertilizers, can not be grown profitably.

In rotation of crops there is no question but what the clovers are the most valuable of all. They rest the land, they bring it back and they make it what it was.

Senator SIMMONS. Why do you say clover can not be successfully grown without stock?

Mr. BURKE. Because if we raise clover we must have something to feed it to, and if you make the stock business so unprofitable that the farmer can not keep stock on his place he certainly is not going to raise clover simply as a fertilizer and burn it up.

Senator SIMMONS. It would not pay to raise clover.

Mr. BURKE. We would have no outlet for it.

Senator SIMMONS. I thought you turned the clover over.

Mr. BURKE. We raise alfalfa particularly in our country. Red clover and timothy rest our land. We turn it under, of course, but we have had it in land for five or six or seven years and the land thoroughly rested and ready to come back to raising grain again. Then we turn our clover under.

Senator SIMMONS. In your country clover is not an annual crop. Do you have to seed it every year in your country, or does it seed itself?

Mr. BURKE. Alfalfa is a perennial.

Senator SIMMONS. I know about alfalfa. I am talking about the red clover.

Mr. BURKE. The red clover in connection with the timothy will last for three or four years. Red clover naturally is, as I understand, a biennial, but if it is ready to go to seed, one crop of it, it will come up again and perpetuate itself from year to year.

Senator BAILEY. And you can cut one crop and the next crop will seed itself?

Mr. BURKE. Yes, sir.

Senator SIMMONS. That is not true in my country. We have to plant it every year.

Mr. BURKE. Of course the white and alsike are both, as well as the alfalfa, perennials.

The present generation of farmers, and the next, might survive free meats with ever-diminishing returns, but the succeeding generations would have turned over to them a lot of "squeezed-out lemons," from which it would be difficult to make an honest living.

Right here, Judge Cowan was discussing with the committee yesterday the declining yield per acre from year to year of our various crops. Now, I think right there is the crux of this whole situation in discussing the free-meat proposition. The question whether you are willing to submit to these constantly diminishing returns which you are bound to have unless you do something to protect the soil

of this country. The most economical and natural way to protect the soil of the country is to put something back instead of robbing it year after year. The grain—the grain farmer, the man who is strictly a grain farmer, is in one sense a robber. He takes something all the time and he never puts anything back.

Other results of free meats would be the increased proportion of our grain forced into the central markets with correspondingly lower prices. It is perfectly self-evident, if a farmer can not feed his grain he has got to haul it off to the market and sell it for what he can get, but it makes a larger proportion of his grain with what he has on the market.

Senator STONE. You do not feed your cattle on the field, do you?

Mr. BURKE. On what?

Senator STONE. On your cornfield.

Mr. BURKE. After the corn is out?

Senator STONE. Yes; or your wheat field.

Mr. BURKE. We do on cornfields; yes, sir; after the corn is picked. We turn them in on the stalks, so that they harvest whatever waste corn there is, and they eat the stalks and fodder and leaves and get a great deal of feed in that way that would otherwise be entirely wasted.

Senator BAILEY. And benefit the land while they are doing it?

Mr. BURKE. Yes, sir; the place that we get the most fertilizer from is right out of the feed yards. We feed these cattle in confined places—5 or 6 acres—and there is a large amount of manure left in those yards that naturally goes out right onto the farm land in the shape of fertilizer.

Let me repeat what I have just said. Other results of free meat would be the increased proportion of our grain forced into the central market, with correspondingly lower prices; and by-products of the farm, like straw, beet tops, damaged hay and grain, just rot or else go up in smoke, instead of bringing in an income and renewing the land as fertilizer.

The very first result of free meat would be a lower standard of living on farms, and when the boys began to pull out for the cities the people would wonder why they refused to stay on the farm, and more farm commissions would be appointed to devise ways and means for making country life more attractive. It seems incredible that Congress, for the sake of a temporary advantage in the shape of cheaper meat, can wish to undermine for all time the greatest resource our fair country has—the fertility of the soil. The Representatives of New England, who are keen to protect their own industries by high tariffs, would think twice before they diminish the purchasing power of their best customers in the West by voting to deprive them of whatever protection they have.

The first thing that met my eye when I reached this fair city was the following, inscribed in great letters on your beautiful depot:

The farm. Best home of the family. Main source of national wealth. Foundation of civilized society. Natural providence.

Senator STONE. I think it was put there to have it repeated here over and over to this committee.

Senator BAILEY. Then they were wiser than I thought they were.

Senator STONE. It is good stuff.

Senator BAILEY. Yes.

Mr. BURKE. I suppose all that was originally put there to gladden the hearts of the simple agriculturist when he stepped from the train into his national headquarters; to let him know how much the Nation's Representatives loved and appreciated him. Gentlemen, in the light of recent events, that inscription looks like a travesty, and if this free-list bill is passed you may be startled by a delegation of farmers from all over this fair country who might come down here some dark night and cover that inscription with a coat of tar. I wouldn't be surprised if they brought a few feathers along.

This free-list bill looks like a cowardly measure. It reminds me of the fellow who was knocked down in a free-for-all street fight, and the crowd of toughs gathered around began to halloo, "Soak him again, he has no friends."

It certainly is the work of amateurs, who seem to think they must do something quick, so they follow along the lines of least resistance and take a fall out of the easiest thing in sight. The idea seems to be—the farmer and the stockman are easy picking; they have not much organization; they are too busy raising food for the rest of us to protect themselves; so by all means let us commence on them, and if we have good luck in taking off their hide we will do our best to pry a little something off of the big, highly-protected trusts, provided, of course, they do not object too strenuously.

Now, gentlemen, there are three classes of farmers, as clearly brought out in a recent article of Mr. Henry Wallace in the American Conservation Magazine: First, the pioneer, who has very little stock, who hunts a little, fishes a little, farms a little, and fights a good deal. He stays for a little while and moves westward in search of fresh adventures. Then comes the speculative farmer, or soil robber, who farms about three times as much land as he ought to, skims off the cream, gets the benefit of the unearned increment, and moves on. Then comes the man we will call the "real farmer," who comes to stay, to build school houses, churches, and a home for himself and family where he and his children will live for generations. He is the man who is interested in the permanent fertility of the soil. It is for his interest to put back as much as he takes away in order that his children may live as well as he is living. This is the man in whose behalf I beg of you to assist in making two blades of grass grow where one blade now grows, in turning the scale of ever-diminishing returns into one of ever-increasing returns. It will put bread in the mouths of his children and in the mouths of yours and of every man, woman, and child who dwells in our fair country nor or will dwell here in the future.

Senator STONE. I would like to ask Judge Cowan a question. Does this conclude the hearings, as far as your parties are concerned?

Mr. COWAN. No; Mr. Lasater, the president of the Cattle Raisers' Association, will be heard particularly with respect to the matter of cost of production of feeders and feed cattle and other matters.

Senator STONE. There were some questions that I wished to ask for information, and it is too late to take them up with Mr. Burke. I can ask them of Mr. Lasater to-morrow.

Mr. COWAN. Yes, sir; Mr. Lasater would prefer to go on to-morrow—it is getting late now.

Senator HEYBURN. Is this gentleman through?

Mr. BURKE. I will say that I have made a little written statement that I think would interest the members of the committee with regard to the cost of producing a beef steer. I have an idea that very few people in this country have an idea of the cost to produce a beef steer, and I have made some statements here, and I will read it if the committee would like to hear it. The statement is very short.

Senator LA FOLLETTE. I would like very much to hear it.

Mr. BURKE. I am taking the estimated average cost for the 10-year period from 1900 to 1910 of producing a 1,300-pound beef, fed west of the Missouri River in dry feed lots, also a statement showing the gain per head on basis of average market prices. Now, these figures are based on our own business, and I believe our business as well run, as closely run, and as profitably run as that of any similar concern in the West. The cost of 1,000-pound feeding steer, at \$4 a hundred—that is the average cost of 10 years, the 10-period I am talking about now—is \$40; the cost of 60 bushels of corn, at 41 cents a bushel, \$24; the cost of 150 pounds of cottonseed meal or similar products, at 1½ cents per pound, \$2.25; the cost of 1,200 pounds of hay, at \$5 a ton, \$3; the cost of labor, \$1; the cost of maintenance of feed yards and equipment, \$1; the cost of one shoat (weight, 100 pounds), at \$5 a hundred, \$5. Now, I should say that the feeding of hogs, the production of pork, is an indispensable part of our business. We can not feed cattle in our country economically without having hogs in the feed yard with the cattle to take care of the waste from the cattle. It is the only economical way. I consider the hogs the main source of our production. If it were not for the feeding of hogs in the countries with the cattle in the feed yard, we would have been out of the feed business long ago. So I figure him right in in the cost. Interest on \$60 at 6 per cent per annum for six months, \$1.80. Total, \$78.05.

Now, estimated average returns for the above period for the above steer, estimating a 300-pound gain for the feeding period, for the steer, and 100-pound gain for the hog would be—

Senator STONE. How many hogs did you feed this year?

Mr. BURKE. We figure that we can feed one small hog to a steer—a shoat—what we call a shoat—and as he grows larger, and consumes more, by the time he has reached getting up toward maturity we can not feed so many. When the feeding is carefully done and there is no waste being thrown out it will take two steers to feed a matured hog.

Matured steers, weighing 1,300 pounds, netting \$5.25 a hundred, \$68.25. Now, that is netting at home—netting the producer \$5.25—\$68.25. Fat hogs, averaging 200 pounds, at 5 cents, \$10. Total returns, \$78.25.

Now, the total cost of producing that animal was \$78.05, you remember. That would make an average profit of 20 cents a head. The first thing that would present itself to the mind, or to a person to whom you had read that paper, would be that you can make 20 cents a head on the cattle that you feed. It simply goes to show that what is stated in my talk earlier, that you can not profitably feed cattle except in connection with the development of large tracts of land, is true.

Senator STONE. What is your answer to your own question, that you can not feed cattle at a profit of 20 cents per head?

Mr. BURKE. Well, I say, for instance, we feed three or four or five thousand cattle every year during the feeding season, and if we only made 20 cents a head the result would be so insignificant, if that is all the profit there was in our business, it would be ridiculous to talk about staying in the business any longer than it would take to liquidate.

Senator STONE. We have a good many feeders; we feed anywhere from 1 carload to 10 or 12 on a farm. If they make only 20 cents a head, what do they get for their corn that was raised and was put into the cattle and hogs?

Mr. BURKE. They do it on the same basis that I figured this here; they would get 40 cents a bushel for their corn—the farmer would.

Senator LA FOLLETTE. Where do you make your profit?

Mr. BURKE. We make our profit out of the development of our farm lands. We have tracts of land in connection with these various ranches where we are feeding our cattle, and by developing our land we are able to make a profit or money out of that, and then, of course, we can market our corn that we raise at—and when I say 40 cents a bushel there I take that as the average market price that we would have to pay for the corn if we bought it all. We do buy part of it; part of which we feed and part of it we raise.

Senator STONE. Do I understand that you go on from year to year feeding four to five thousand cattle?

Senator LA FOLLETTE. Cattle and hogs.

Mr. BURKE. Cattle and hogs.

Senator STONE. Cattle and hogs.

Mr. BURKE. As far as they alone are concerned. We would be very glad if we could get off with a loss of \$15,000 or \$20,000 a year.

Senator BAILEY. Mr. Burke, is it true that six men out of every ten who follow the cattle-feeding business from year to year finally are broken?

Mr. BURKE. Those who follow it strictly as a cattle-feeding business; yes, sir. The western country is full of wrecks of men who started in on that proposition. One after another has dropped off, and they have, every one of them, as far as I know, either gone out of the business or gone broke. There is no profit in the feeding business per se.

Now, I would like to read a statement showing the conditions as they exist. This is an abnormally bad year for our business.

The estimated cost during the winter of 1910 and 1911 of producing a 1,300-pound beef steer west of the Missouri River in dry feed lot; also statement showing the loss per head on basis of average market prices:

Cost of 1,000-pound feeding steer, at \$4.75 per hundredweight.....	\$47.50
Cost of 60 bushels corn, at 40 cents per bushel.....	24.00
Cost of 150 pounds cottonseed meal or similar product, at 1½ cents per pound.....	2.25
Cost of 1,200 pounds hay, at \$8 per ton.....	4.80
Cost of labor.....	1.00
Cost of maintenance of feed yards and equipment.....	1.00
Cost of one shote (weight, 100 pounds) at \$8 per hundredweight.....	8.00
Interest on \$60 at 6 per cent per annum for six months.....	1.80
Total	90.35

I just have a telegram in my pocket from 15 cars that we had in Chicago yesterday and to-day which weighed from 1,400 to 1,500

pounds that brought in Chicago from \$5.95 to \$6.10 a hundred. That is in Chicago. It cost us about 40 cents a hundred to ship our cattle from our feeding stations to Chicago. That is about the basis on which we have been selling our cattle all winter—6 cents a hundred in Chicago.

Estimated returns for the above steer, estimating a 300-pound gain for the feeding period for the steer and 100-pound gain for the hog.

Matured steer, weighing 1,300 pounds, netting \$5.60 per hundredweight.....	\$72.80
Fat hog, averaging 200 pounds, netting \$5.50 per hundredweight.....	11.00
Loss per head.....	6.55

Total	90.35
-------------	-------

I venture to say that there are thousands and thousands of people in this country who are annually losing \$6.55 on the cattle that they have fed; on the cattle they lose from \$10 to \$20—

Senator STONE. Do you attribute that to reciprocity in any way?

Mr. BURKE. No, sir; I attribute it to simply conditions altogether in this country, but I do say—and I base this point showing the very narrow margins on which the feeding business is done in this country.

Senator STONE. I understand.

Mr. BURKE. And if it is made increasingly difficult and more unprofitable for the live-stock interests to make a living, closely connected as they are with the farmer and the soil, it will simply efface the live stock from the farms of the country, or make grain farmers or robbers of the soil.

Senator SIMMONS. Mr. Chairman, Mr. Bronson has been here, I think, ever since last week.

The CHAIRMAN. The understanding was that Mr. Bronson was to be heard the next day if the committee was willing.

Senator HEYBURN. I should be very glad if he could be heard. I know he is remaining here very much against his interests.

The CHAIRMAN. Mr. Bronson, do you desire to go on to-night?

Mr. BRONSON. Mr. Chairman, I am in a little peculiar position. Of course there is very urgent need for me in Chicago.

The CHAIRMAN. I understand your association meets to-morrow.

Mr. BRONSON. No, sir; next week, but I have the sole responsibility for the preparations, and of course that has called me home. It is very important. But please let me say that the lumber business, the lumber industry, is one of the largest in this country. It is one that has been especially subjected to abuse. It has been called the lumber trust, called timber thieves, and all sorts of things like that, which misunderstanding, innocent enough, no doubt in many cases, naturally enough, sometimes owing to the peculiar conditions of the industry, has led to the persistent assault on lumber in all sorts of directions. Two years ago we had a heavy reduction of 27½ per cent, when the average reduction, Mr. Hill, of Connecticut, said, was 6½ per cent, and our friends, a good many of them, are saying there was an advance.

Now, then, this reciprocity bill, so far as lumber is concerned, is based on that same prejudiced misapprehension and manufactured antagonism, and we come here and ask to be heard because we are one of the subjects of special attack in this bill. I say that I represent one of the greatest industries in the United States. I am willing to state—I do not know but I would say I would let the meeting

go on without me; I guess it could run and probably be held. Perhaps I would not, after all, be missed as much as I think. I am willing to stay if I can be heard. I came on last Saturday. Now, mind you, we have 800,000 employees in our mills and woods—800,000 of them. It is of some account, this industry. We produce an enormous product in value. We have to do with one of the national resources—our natural resources—one of the most important, and I came on last Saturday and talked an hour and a half—perhaps not very interestingly; perhaps it was my fault. I have no doubt it was, because I am not an orator, as you have already discovered.

The CHAIRMAN. You did not have a fair chance on account of the number of questions asked you.

Mr. BRONSON. I appreciate the courtesy of the committee. The committee have made promises to other gentlemen which had to be fulfilled, so I have waited. I have had one hour and a half—this industry has had one hour and a half before this committee, and the live-stock interests, also a great one, has had two days nearly. I am very glad to yield to those gentlemen who have been here even longer than I. It is now 5.30 o'clock, and I want myself, with the utmost expedition, one-quarter as much time as the live-stock industry was given and as the particular representative of that industry was given. I would be very glad to have it, and therefore I feel that if I went on to-night I could speak about only one little point in regard to it, and if we can go on to-morrow morning there will be a good delegation—not a large one, but a representative delegation—from the South Atlantic coast here to-morrow.

Senator STONE. From where?

Mr. BRONSON. From the South Atlantic coast—Virginia, North Carolina, and South Carolina, and perhaps from Georgia and Florida, and I would like to present the delegates to you gentlemen and to make some further statement myself, and let them speak for their territory. I am particularly anxious—on request—to speak for that great industry in the Pacific Northwest, where our future forest resources are largely to come from. I am at your disposal, gentlemen.

Senator HEYBURN. Would it be just as convenient for you to go on in the morning?

Mr. BRONSON. Yes, sir.

The CHAIRMAN. The Chicago people have a kind of an engagement here to-morrow morning, and you will be here in the midst of their hearing.

Senator BAILEY. Mr. Chairman, I will say that the gentleman representing the live-stock interests can conclude in an hour to-morrow, and subject to that, I am perfectly willing for the committee to make any order it pleases about this other matter.

The CHAIRMAN. The understanding is that the live-stock people conclude in an hour to-morrow morning, if possible, and then we go on with the lumber people.

Senator STONE. Why can not we meet an hour sooner?

Senator BAILEY. Let us say half an hour—meet at 10 o'clock.

The CHAIRMAN. Very well; if that is agreeable to the committee, the committee will now stand adjourned until to-morrow morning at 10 o'clock.

(Thereupon, at 5 o'clock and 35 minutes p. m., the committee adjourned until to-morrow, Wednesday, May 17, 1911, at 10 o'clock.)

HEARINGS ON THE TARIFF

BEFORE THE

COMMITTEE ON FINANCE

OF THE

UNITED STATES SENATE

ON

HOUSE BILL 4413

SIXTY-SECOND CONGRESS

SECOND PRINT No. 4

WEDNESDAY, MAY 17, 1911



WASHINGTON
GOVERNMENT PRINTING OFFICE
1911

COMMITTEE ON FINANCE.

UNITED STATES SENATE.

BOIES PENROSE, *Chairman.*

SHELBY M. CULLOM.	JOSEPH W. BAILEY.
HENRY CABOT LODGE.	F. M. SIMMONS.
PORTER J. McCUMBER.	WILLIAM J. STONE.
REED SMOOT.	JOHN SHARP WILLIAMS.
JACOB H. GALLINGER.	JOHN W. KERN.
CLARENCE D. CLARK, of Wyoming.	CHARLES F. JOHNSON, of Maine.
WELDON B. HEYBURN.	
ROBERT M. LA FOLLETTE.	

H 1752
43
1911

HEARINGS ON THE TARIFF.

COMMITTEE ON FINANCE, UNITED STATES SENATE,
Washington, D. C., Wednesday, May 17, 1911.

The committee met at 10 o'clock a. m.

Present: Senators Penrose (chairman), Cullom, Lodge, McCumber, Smoot, Gallinger, Clark, Heyburn, La Follette, Bailey, Simmons, Williams, Kern, and Johnson of Maine.

The committee proceeded to the consideration of the bill H. R. 4413, an act to place on the free list agricultural implements, cotton bagging, cotton ties, leather, boots and shoes, etc., and for other purposes.

The CHAIRMAN. The committee will come to order. Are the representatives of the Texas Cattle Association present and ready to be heard?

STATEMENT OF E. C. LASATER.

The CHAIRMAN. Where do you reside?

Mr. LASATER. At Falfurrias, Tex.

The CHAIRMAN. What is your business?

Mr. LASATER. Ranching and farming.

The CHAIRMAN. You may proceed.

Mr. LASATER. Mr. Chairman and gentlemen of the committee, I have been in attendance upon your hearings for some days, and I desire to express my appreciation of the patience and consideration that you have shown to those offering testimony on these subjects. I appear here as one of the representatives of the Texas Cattle Raisers' Association, in opposition to both these measures.

What is said in opposition to one will be found applicable to both.

I desire to submit to your committee the proposition that our country can not afford to turn over the production of its meat supply to any foreign country, for at least two good and sufficient reasons:

1. It is essential for the maintenance of the fertility of our farms that the numbers of live stock now carried upon them be increased, and the continued well-being of our Nation demands that our present fertility not only be maintained but that we restore our farms to their virgin productiveness.

2. A good class of live stock upon our farms has a tendency to make farm life more interesting and attractive to the young of both sexes, and to that extent will assist in stopping the movement of our people from the farm to urban pursuits. This is an achievement to be desired and is in the interest of every consumer of this country, be he manufacturer, middleman, or professional man.

Addressing myself to the consideration of the first of these propositions, I desire to submit for your consideration a statement showing

the cost of producing a 4-year-old steer in south and west Texas, and delivering the same upon the Fort Worth market. This steer would weigh about 1,200 pounds.

The cost is as follows:

Cost of producing a yearling steer in south and west Texas.

INVESTMENT.

15 acres of ranch land at \$5 per acre.....	\$75. 00
1 cow valued at.....	30. 00
Total.....	105. 00

EXPENSES.

Interest on investment.....	\$8. 40
Labor, teams, saddle horses, and supplies.....	1. 11
Taxes.....	1. 05
Depreciation on ranch improvements.....	1. 00
Death loss on cow.....	.90
Cost of bull per cow.....	.92

Cost of producing yearling on basis of 100 per cent yearling crop.....	13. 38
Loss on carrying 30 per cent of nonproductive cows.....	4. 01

Total cost of yearling crop figured on basis of 70 per cent yearlings.....	17. 39
Loss on one-half of heifer calves marketed as veals.....	3. 66

Average cost of yearling steer.....	21. 05
-------------------------------------	--------

Cost of carrying a yearling steer to a 4-year-old steer and placing same upon Fort Worth market.

INVESTMENT.

15 acres of ranch land at \$5 per acre.....	\$75. 00
Cost of one yearling steer.....	21. 05
Total.....	96. 05

EXPENSES PER YEAR.

Interest on investment at rate of 8 per cent.....	\$7. 68
Taxes.....	.96
Death loss at rate of 3 per cent.....	.63
Depreciation on ranch improvements.....	1. 00
Labor, teams, saddle horses, and supplies.....	1. 11

Total cost per head per year of carrying steer.....	11. 38
---	--------

Cost of carrying steer, per head, for three years at \$11.38 per year.....	34. 14
Cost of finishing for market, one-half ton cake, at \$26 per ton.....	13. 00
Cost of feeding prickly pear for 6 months.....	1. 80
Original cost of yearling steer.....	21. 05

Total cost at ranch.....	69. 99
Freight and market charges per head.....	4. 00

Total cost on Fort Worth market.....	73. 99
--------------------------------------	--------

Now, it is a self-evident proposition that the cattle raisers of the country can not continue to produce beef at a loss for any great length of time. Data that have been submitted to this committee by Judge Cowan, attorney for the Texas Cattle Raisers' Association, in my opinion, conclusively show that if the two bills above mentioned,

now before this Congress, become law the prices on cattle in this country would necessarily be reduced to a somewhat lower level than at present obtain. This will make permanent a lesser earning capacity to the farms of our country, consequent upon the elimination of a large per cent of the live stock now carried upon them and a corresponding reduction in fertility. In the production of live stock in our country we would have stagnation instead of expansion and enthusiasm. As a necessary consequence, we would have a deterioration in the quality of live stock produced.

The conditions above recited would necessarily take from the attractiveness of farm life and continue the movement of the past three decades of our people from farm to urban pursuits, which, if persisted in, must lead to our deterioration as a people, caused by a lower standard of living, and the consequent elimination of our country as one of the world powers.

To the widow and orphan it makes no difference whether the death of the husband and father was caused by a friend who did not know that the gun was loaded or whether the husband and father was murdered by the highwayman—the provider is dead.

The press reports President Taft as saying, in part, to a bunch of Grangers, who are reported as coming out of the White House with tears coursing down their cheeks—

* * * that if the country tries the Canadian reciprocity pact and finds it does not work the law can be repealed by a subsequent Congress.

The country producer is now asking why our Representatives should be requested to make mistakes for the privilege of correcting them, and we are here protesting against the passage of these bills until you know that the gun is not loaded.

Now, I would like to submit here some account sales made from my ranch on the Fort Worth market since December of last year. I would like to make this explanation in regard to those account sales. The best market for our section, or, in fact, for any section of our country, is during the months of April, May, and June. As our vegetation is the earliest of any section in the United States, those are the markets that we naturally try to market our cattle on, but owing to unfavorable weather conditions I was forced to run part of my cattle in December, and am running them up until now. Also while, as is shown by that statement, the average cost for cotton-seed cake, feeding cake on the range, as we term the manner of finishing there, is \$13; that is based on about a 10-year average. My cost this year has been about \$21, owing to unfavorable conditions. Now, the average of these account sales will show that I averaged about \$5.35 on the market and about \$11.40 pound weight on the steers. That will show a loss on about half of my steer crop, which has been marketed up to date, of \$21.54 per head.

Now, the market, as has been shown here, is about \$1.50 to \$2 per 100 lower than it was at the same time last year, and as I have admitted, conditions have been most unfavorable in our section the past season. Also, as a usual thing, our country is able to market its cattle on what we term the spring markets, which are the high markets; but on account of the unfavorable weather situation with us, conditions forced me to market somewhat earlier and before my stuff was fully ripened, and I was at a greater cost for concentrated foods than for an average season. But the statement that I submit there

shows what may overtake us under unfavorable conditions. Estimate above given bases the return on the investment at rate of 8 per cent—that is the rate that is charged in our country for money—and I believe it would be unwise if the banking institutions of a country, or the money lender, can get more for their money than a man engaged in productive pursuits can get out of the business. Unless the producer is going to get at least banking rates, there is no incentive for him to undertake to produce. He had better become a money lender.

In regard to the cost of production, I would like to submit a letter from Mr. F. S. Hastings, manager of Swenson Bros.

The CHAIRMAN. What are you reading from?

Mr. LASATER. It is headed "Investigation relative to wages and prices of commodities. Hearings held before the select committee of the Senate relative to wages and prices of commodities. Vol. 1." This hearing, as I understand, took place in March, 1910—last year. Now, I would like to submit this letter for the record, but I will only read a part of it to you gentlemen now. I will not take up your time by reading it all now.

The letter is as follows, and was submitted to the committee by S. H. Cowan, attorney for our association:

STAMFORD, JONES COUNTY, TEX.,
March 24, 1911.

Mr. E. B. SPILLER, *Secretary,*
Fort Worth Tex.

DEAR SIR: I have your favor of March 23. and am sending carbon copy of this reply to Judge S. H. Cowan, Willard Hotel, Washington, D. C. My reply will cover the S. M. S. ranches only, as the Spur property has passed out of our hands, as far as its cattle interests are concerned.

Answer to question No. 1: We have about 275,000 acres, and about 20,000 head of cattle, not comprehending the calf crop of 1910. Of this number about 13,000 head are cows, the balance grading down from two's to coming yearlings.

Answer to question No. 2: We figure our ranch properties on a valuation of \$5 for cattle purposes. They are, however, largely agricultural and would, if converted into farm lands, average at least \$10 per acre. Most of them are, however, too remote from a railroad to contemplate for the present putting on the market for farm purposes.

Answer to question No. 3: Cows, I should say, are worth, conservatively, \$27 per head; 2-year-old helpers, \$21; yearling helpers, \$17; 2-year-old steers, \$28; yearling steers, \$20.

Answer to question No. 4: The prices given above are probably \$5 per head higher on cows, \$4 per head higher on 2-year-old steers, \$2 per head higher on yearling steers, and about \$3 per head higher on the other stuff than three or four years ago.

Answer to question No. 5: We estimate that our supplies are costing us about 20 per cent more than they have in the past. This, however, does not comprehend bacon, of which we really use very little except in the summer months.

Answer to question No. 6: There has been very little change in the value of horses during the last two or three years. We call our cow ponies, conservatively, worth \$50 per head, and it would cost us an average of \$65 per head to go out and pick them up.

Answer to question No. 7: We suppose that this refers to grass lands. Sixty-five dollars per section has been the regular rental, and on small bodies this could be very materially increased this spring. In a general way 12½ cents for large bodies may be called a fair figure.

Question No. 8 we could not answer, as we have had no experience.

Answer to question No. 9: The last fat cattle we had off of grass were heifer calves, marketed in Kansas City December 22. They weighed 303, sold for \$5.50, and netted \$14.80 per head, or a strong \$3 per head higher than at a corresponding time the year before. We marketed last fall some 10,000 head of cattle, fat off of grass, averaging probably \$2 per head increase over the preceding year.

Answer to question No. 10: The short crop in cotton and forage stuffs increased both the price of roughness and concentrates very materially. The increase in roughness was probably 100 per cent, and in concentrates 25 to 40 per cent. I should say, on the average, that the cost of fattening an animal in Texas this year was at least 50 per cent higher than the preceding year.

Answer to question No. 11: There are practically no losses with us from last year's drought, except that a good many of the earliest calves died; we should say perhaps 5 per cent. The balance of the year, however, was very favorable, and cattle have never wintered better than during the past winter. It must be remembered, however, that our ranches are ideally watered and are never overstocked.

Answer to question No. 12: We produced about 65 per cent of calves last year, as against an ordinary 75 per cent.

Answer to question No. 13: There has been practically no increase in wages. We maintain our men, however, and the increased cost of living therefore does not affect them, except as to wearing apparel, and they do not use enough of that to make any material difference. In a general way, however, it probably costs us 10 per cent as against former years.

Answer to question No. 14: Practically everyone in the cattle business is only in it because their lands are too rough for agricultural purposes, or railroad development has not yet approached them near enough to warrant putting their lands on the market for farming purposes. No large ranch in the State of Texas has during the past 10 years paid more than 3 per cent interest on an average valuation of \$3 land and cows at \$20 per head. The increased values of the past year may possibly increase the investment to a basis of 6 per cent. Of course, this must be considered as covering a period of years, but except so far as a ranch owner may feel that a few years more will put a material increase in value on his property, there is no incentive to stay in the cattle business. Good agricultural lands anywhere within 10 to 15 miles of a railroad are worth to-day, on the average, \$15 per acre—that is, for all smooth land. The general land terms are one-fifth down and the balance in six annual payments at 8 per cent. To illustrate the point, please take \$3 in cash, the one-fifth advance money, and call it worth 6 per cent, or 18 cents per year; then take the \$12, which bears 8 per cent interest, or 96 cents per year, and you have a total of \$1.14 per acre income from land which at its best rental would give you 12½ cents per acre, or we will say on a basis of \$5 would pay you 6 per cent, or 30 cents, in the cattle business. This illustration will also answer question 15 in part—that is, explaining why there is a decrease in the cattle production. I may further illustrate this in our own problem of the Spur Ranch, where we have 438,000 acres. We have gone out of the cattle business entirely, concentrating our whole effort to the sale of that tract in small farms, rarely one larger than 160 acres. We have leased the lands for pasture purposes, but subject to encroachment as needed, for the sale of farm lands, and figure that in five years there will be practically no pasturage left.

Answer to question No. 15: I estimate that there is not to exceed 60 per cent of the steer stuff of three years ago. The great runs of cattle to market have simply represented an overcharged river; that is, a great volume which does not indicate the supply. In our own business last year we marketed 15,000 head of the stuff, which, under ordinary circumstances, would have had 70 per cent calf drop. A great many large pasture men, with settlers in the pastures, have been practically forced out of business. The free ranges in New Mexico have been rendered unsafe on account of water rights being taken up by settlers. Under my own observation, four great herds have gone out of existence within the last two years. The evolution of the business means that eventually the rough tracts will be devoted to grazing, and, in the main, it will be with people who will raise a good deal of forage stuff, sufficient to take care of cattle during the winter months. The business will be reduced to small holdings, which can be carefully looked after, and one section will be made to carry several hundred cattle instead of its present limit of 60 head. This does not mean, however, such a great area, because the bulk of this country is smooth land; that is, at least 60 per cent of it is available for farming, and the class of farming which, while it will probably lead to an eventual large hog industry, will produce very few cattle. The average 160-acre farmer retains 40 acres for a pasture, and by the time he has cared for two work teams, a couple of saddle horses, and three or four milk cows he has reached the limit of his pasture.

There is at the present time the greatest indication that the dairy industry will receive a substantial impetus during the next few years. Small creameries are being established everywhere, and the idea of ready money every day in the year, with a sure market for the product without any loss of time, and the handsome profit from the dairy cow, is beginning to appeal to communities as they become at all thickly settled. That means that all of the good females will probably be retained for milk purposes, and the male calves will be killed for veal as rapidly as they are of suitable age. The skim milk will largely increase the hog industry.

Very truly, yours,

F. S. HASTINGS,
Manager for Swenson Bros.

Judge Cowan sent out a number of questions to different producers all over the country and this is one of the replies that I have read.

I will state the Mr. S. F. Hastings is the manager of Swenson Bros., who own this ranch and other landed properties in west Texas. My understanding is that these gentlemen are also engaged in banking in New York. As shown by Mr. Hastings's letter they have sold out a part, and are reducing their cattle interests, leased their land at a low rental, and have turned over the organization they had handling the cattle business.

I would also like to introduce as testimony to this committee a letter signed by Matthew Cartwright, of Terrell, Tex., addressed to the Hon. W. R. Smith, as follows:

TERRELL, TEX., May 10, 1911.

HON. W. R. SMITH, Washington, D. C.

DEAR SIR: I have just read your speech of December 13 last on the tariff question, which you so kindly sent me, and I take it that you would appreciate an expression as to its merits, therefore write you as candidly and concisely as I can.

I have not the pleasure of a personal acquaintance with you, but from the gist of your speech I infer you are a comparatively young man, either in years or as a resident of Texas, because I can not conceive of a man who lived in Texas while the Wilson bill was in operation and saw the havoc it wrought with our industries using his talents and energies to bring about a recurrence of so disastrous an era, not only to the industries of our State, but that of every other Southern State, besides many others. However, I will only refer to conditions in our own, which came under my actual observation.

Before going further, I want to say I am a native Texan and in my 56th year and a reasonably close observer and student of conditions affecting the financial and commercial interests of our country. I want to say further that I never owned a sheep in my life and that my interests in the cattle business are confined to the purchase and maturing of young steers, and it is more profitable to me when cattle are cheap, because it takes much less capital to carry on the business. Therefore it is immaterial to me whether hides are high or low; but not so with wool, as the principal line of my business is the production of cotton. I make these preliminary remarks so that you can judge whether or not my motive is selfish and my judgment biased.

Before the Wilson bill went into effect the products of our farms and ranches were bringing fairly good prices and our people were prosperous and happy. The prairies of Texas not in cultivation were covered with herds of cattle, sheep, and horses. What was the result after a few years' operation of the Wilson bill? We saw hides so low that they were not worth the trouble of taking off of the fallen cattle and hauling to market. We saw leather and leather goods bringing the same prices they did when hides were worth from \$5 to \$8 each, and we see the same thing again to-day. We saw wool bringing from 5 to 7 cents a pound and the producer so discouraged that his herds were rushed on the market, regardless of price, so glutting it that in many instances commission firms were forced to call on their shippers of both beef and mutton for money to pay freight charges, and in a period of a very few years a herd of sheep could not be seen on our prairies in a day's travel, where only a few years before one would scarcely be out of sight of them. Hogs were correspondingly low.

We saw the cotton farmer selling his product from 3½ to 5 cents a pound in competition with 5 and 7 cent wool. I recall one instance of one of my share tenants saying to me that after "paying my rent and picking, I have just \$1.50 left out of this bale of cotton." We saw sugar so low that a large proportion of the southern planters, seeking relief, planted their sugar lands in cotton, thus increasing the production by a million bales, helping to bring about the above conditions.

We saw sheepmen, cattlemen, merchants, and farmers going to the wall by the thousands. We saw our country overrun by idle men, broken in spirit and begging for work, culminating in the great march of the Coxey Army through our desolated lands to the very doors of the Capitol Building in which you made this speech pleading for a return of similar conditions and undertaking to strengthen your argument by showing that you were in line with the very men that brought it about. If this is what you want and to see our party pay a similar penalty for such folly, your speech impresses me as being a very strong one, as the policy you advocate will, in my opinion, undoubtedly bring its return.

Our State to-day is enjoying one of the most prosperous eras in its history. Labor of all kinds is employed at good wages, both in agricultural and manufacturing districts, and how our party can, just on the eve of a possible return to power, afford to advocate a policy that will reverse these conditions or even experiment with them, I can not understand. It is true that living is high; but this can be accounted for largely by the shortage of our cereal crops for the years 1908 and 1909, which is conclusively proven by the downward tendency of practically all food products since the grain crops of 1910. We see hogs selling to-day for 6½ cents per pound as against 11 cents one year ago. The best grade of mutton at 4 cents per pound less than one year ago, with poultry, butter, eggs, and in fact all household articles closely related to the grain crop. These prices are practically in line by comparison with prices of similar articles in the spring of the year 1883, following the short grain crop of the preceding year. The relation of our grain crop to these products is no less intimate than our labor and lands to that of the countries only separated from us by practically an imaginary line. If the products from Mexico, South America, and Australia, produced by pauper labor on lands practically without market value, come in free of duty our people can not compete with them with the present high prices of labor and land, and the inevitable result will be to equalize to a large extent with theirs. Having seen these things with my own eyes, I believe as strong as I do that I am living that free raw material would again bring about the conditions that I have named.

Before closing, I want to make the following prediction, viz, that we will see 5-cent cotton inside of two years after the passage of the bill putting sugar and wool on the free list, and any man who has lived in the South ought to know what 5-cent cotton means for the laborer and producer, as well as the lawyer, merchant, mechanic, doctor, and, in fact, all our people, regardless of vocation. If you will make a few figures, you will see that the farmer of the South can well afford to pay five times the price he does at present for his sugar and woolen goods rather than have the price of his cotton dropped to a 5-cent basis.

I would be glad if you would file this letter away and refer to it again three years after raw material is on the free list, and write me how nearly I have called the turn on this proposition.

Trusting that I have not imposed too much on your good nature with this long letter, I beg to remain,

Very truly, yours,

MATTHEW CARTWRIGHT.

Senator HEYBURN. To whom is that addressed?

Mr. LASATER. To Hon. W. R. Smith, Washington, D. C.

Senator STONE. A Member of Congress?

Mr. LASATER. Yes, sir.

Senator SMOOT. From where?

Mr. LASATER. From Terrell, Tex.

Mr. COWAN. From the western district.

Senator BAILEY. As you gentlemen do not know him—Cartwright—and I do know him, I will say that he is as intelligent a man as there is in Texas, and as good a man as there is in the world.

Senator STONE. What is his business?

Mr. LASATER. He is a farmer, as he states here.

Senator BAILEY. And he has had sense enough to make money out of it. He has also made his money out of the increase in the price of his land. He owns some of the best land in the State.

Senator STONE. In what county does he live?

Senator BAILEY. In Kaufman County.

Mr. LASATER. Yes; his letter is written from Terrell, Tex.

Senator STONE. He lives in the town of Terrell?

Senator BAILEY. He does.

Mr. LASATER. I would like to introduce and read here a letter from the South St. Paul Live Stock Exchange, from the Exchange Building, May 4, 1911, by the St. Paul Live Stock Exchange, signed by its secretary. It is addressed to S. H. Cowan, Willard Hotel, Washington, D. C., and is as follows:

SOUTH ST. PAUL LIVE STOCK EXCHANGE,
May 4, 1911.

S. H. COWAN,
Willard Hotel, Washington, D. C.

DEAR SIR: At the monthly meeting of the South St. Paul Live Stock Exchange held here to-day the following resolution was adopted:

"Whereas there is now a bill before Congress, known as House bill 4413, to place dressed meats on the free list; and

"Whereas the placing of dressed meats on the free list would tend materially to reduce the price of live stock in this country; and

"Whereas the reduction in values of all farm products is detrimental to the best interest of the whole country: Now, therefore, be it

Resolved by the South St. Paul Live Stock Exchange, in regular meeting assembled, That we protest against the passage of the bill known as House bill 4413 by Congress.

Be it further resolved, That these resolutions be spread on the minutes of the exchange, and a copy sent to both Senators and all the Representatives from Minnesota.

SOUTH ST. PAUL LIVE STOCK EXCHANGE,
PEECY VITTM, Secretary.

Now, gentlemen, I would like to remark here that from my standpoint the producers of live stock are in somewhat different position from that in which any manufacturing concern would be; thus: You might eliminate the manufacturer of brass jewelry, or even of the riding plows from this country, and it would only be necessary for the people engaged in that pursuit, or those pursuits, to find other pursuits to occupy their capital and their labor. Pass any legislation that would have a tendency to eliminate the production of live stock from our farms and it would affect, in my opinion, every man, woman, and child in this country; from this fact, that you can not eliminate cattle from our farms without you reduce the fertility of the same. The cost of production of any commodity is largely governed by the output, and if you reduce the output you are bound to increase the cost of production. Thinking that I might not know everything concerning farming, when I got to Washington this time I called on Secretary Wilson and I put this question to him: If there was any means of maintaining or increasing the productiveness of farms without the use of live stock. His reply to me was that there is not. For this reason. I think if there is one interest that would be justified in asking at the hands of the whole country a bounty—and the country would be justified in giving it a bounty on production—it would be live stock. But the live-stock

producers that I represent are not asking for any bounty; they are not asking special legislation in their favor. All we ask is that we be not discriminated against, and we think that if our products are admitted free to this country while there is a duty levied on the articles that we buy, to that extent we would be discriminated against. I am not speaking for the entire cattle raisers when I announce that I personally am in favor of protection. I think protection fairly distributed is best for us as a people. It will enable us to live upon a higher plane and to make more per capita. That is my opinion.

Senator BAILEY. Mr. Lasater, I think, in order that that may be perfectly intelligible, you had better put in the record a statement of your politics. Mr. Lasater is a Republican.

Mr. LASATER. I am a Republican from Texas.

The CHAIRMAN. I concluded that you were from the tenor of your remarks.

Senator STONE. So did I.

Mr. LASATER. I want to state that I do not state that that is the opinion of the Cattle Raisers' Association of Texas.

Senator BAILEY. You took care to exclude that.

Mr. LASATER. I gave that as my opinion, but I do say that I think I represent here a body of men who are not asking for, and do not desire, that the country as a whole be discriminated against in order that they may prosper.

Senator BAILEY. I thoroughly agree with you that the discrimination is indefensible, and therefore I approve what you have said in that respect. When you went further, however, I thought that it was only proper and fair to you as well as to everybody that the statement of your politics should go in the record.

Mr. LASATER. Now, as I understand it, Senator Stone desired to ask me some questions, so Mr. Cowan notified me last evening. I would be glad, Senator, to answer any questions and give any information that I am able to give here as far as the subject of production of live stock is concerned.

Senator STONE. I did not care to interrupt your discourse. Are you through?

Mr. LASATER. I have not prepared a discourse. I was simply speaking—

Senator STONE. I would as soon ask what I have to ask now as later. Mr. Cowan gave the exports of cattle and beef for some years. I did not understand exactly what he said. I have been looking over his remarks and I am still a little confused about it. I sent this morning and got the statistics as to our imports and exports of cattle and beef right from the department, and I will just read it and put it in the record before questioning you about it. The exports of cattle in 1910 is stated at \$12,200,134. The exports of chilled or refrigerated beef, the same year, \$7,733,751. Imports of cattle into the United States was \$2,988,780. The imports of chilled beef, \$61,110.

Mr. COWAN. Senator, won't you give the number of head of cattle and pounds of beef?

Senator STONE. How is that?

Mr. COWAN. Won't you please read the number of head and pounds in the document you are reading from?

Senator STONE. I have not got it here. It was phoned to me this morning.

Mr. COWAN. I will furnish it for you.

Senator STONE. You may add what you have. I just wanted to get it in the record.

Mr. COWAN. I took mine from the same source as this volume that was furnished.

Senator STONE. I find that there has been a gradual decrease—and a very considerable decrease—in the exports of beef cattle, and beef, in the last four years. The exports of cattle for 1906 was \$42,000,000 in round numbers.

Mr. COWAN. That is, \$42,000,000.

Senator STONE. \$42,000,000.

Mr. COWAN. Nearly 600,000 head, you will find.

Senator STONE. In 1907, \$35,000,000; in 1908, \$29,000,000; 1909, \$18,000,000. Chilled beef, 1906, \$24,000,000; 1907, \$26,000,000; 1908, \$20,000,000; 1909, \$12,700,000. I wanted to put that in the record. Now, Mr. Lasater, do you concur with the views expressed by Mr. Burke on yesterday, and I think also by Judge Cowan—but I am not sure about that—that stockers and feeders, such cattle as Mr. Burke would buy, could be purchased cheaper in Canada than in the States?

Mr. LASATER. The only direct information I have on that is in a bulletin introduced here by Mr. Cowan as evidence. That is written by some one connected with the agricultural department of Canada, I am not prepared to say just how. I do not remember that. Judging from that information I say unquestionably that they can be produced, and can be purchased and have been sold for several years back, cheaper than we can possibly produce them in this country.

Senator STONE. Well, if we should adopt this reciprocity agreement, make it a law, how would it injure the cattle business other than bringing cheaper cattle into competition with our cattle in the United States?

Mr. LASATER. Well, as to how it would injure it, I think that would be the only way it could injure it. It would bring cheaper cattle into competition with our cattle, reducing the price of cattle.

Senator STONE. At home?

Mr. LASATER. At home; yes, sir. Now, as we have shown here on to-day's market we are not making a profit on the production of cattle in this country.

Senator STONE. I understand. That is not important—it is not important to the question. You have shown that to your satisfaction, at least, that the profit on cattle under the present conditions was so small that you could not afford to bring it in competition with anything that tended still further to decrease the profit.

Mr. LASATER. Yes, sir.

Senator STONE. I understand that, and we are agreed then—that is I agree—with your statement that the only way that this reciprocity agreement with Canada would hurt our cattle raisers would be the bringing, as you state, cheaper cattle from Canada into competition with our American raised cattle. If it were a fact, stating the converse now of the proposition that cattle are higher in Canada than in the United States, then that competition would not hurt our cattle raisers?

Mr. LASATER. You mean if there would be no cattle brought from Canada here, but on the converse, our cattle go from this country to Canada, that would be an advantage to us producers of meat?

Senator STONE. Yes; well, in cattle other than we needed here.

Mr. LASATER. Then we would send cattle there.

Senator STONE. Our cattle would be more valuable than theirs that would come here?

Mr. LASATER. Beyond any question.

Senator STONE. So the opening up of free-trade relations between the two countries would not hurt the cattle trade on that supposition?

Mr. LASATER. It would not hurt the cattle trade provided cattle are higher in Canada and we can market our cattle there.

Senator STONE. I am assuming it.

Mr. LASATER. Assuming that the above is a fact in my opinion it would not hurt us.

Senator STONE. Now, I have in my hand here a report made by the tariff board, covering amongst other things, the subject of tariff prices, of cattle, beef, etc., as between Canada and the United States. I find that, according to the investigation made by this official body, especially constituted to make such inquiries, that in 1911, this year, stockers and feeders sold in the States—I am going to give the comparison between certain markets. I was reading that wrong. The comparison here is between Buffalo and Toronto. In those markets stockers and feeders sold in January, 1911, at from \$3.30 to \$4.75, in Buffalo—\$3.30 to \$4.75—while in Toronto they sold for \$3.75 to \$5 per hundredweight, showing the lowest to be 45 cents per hundred above the lowest, the lowest in Toronto being 45 cents, and above the lowest at Buffalo, and 25 cents per hundred in Buffalo above the highest.

Mr. LASATER. In Toronto?

Senator STONE. In Toronto above the highest in Buffalo. Now, I want to ask you a question. Permit me to go to another table. I will ask you a question based on this statement.

Here is another comparison made between the markets in Detroit, Mich., and Ontario. According to this table, in January, 1911, the lowest price in Detroit for stockers and feeders was \$2.45, against \$3.70 in Ontario.

Mr. LASATER. Where is that?

Senator STONE. I am comparing this market, Detroit, Mich., with Windsor, Ontario, on stockers and feeders. I am talking about the producer's price, not the wholesale price. Again I say that according to this table the producer's price at Detroit was \$2.45, while at Windsor it was \$3.70.

Now, the highest price quoted at Detroit was \$4.50, as against \$4.90, the highest price quoted at Windsor. Now, if it be true that stockers and feeders command higher prices, such as I have quoted, in the Canadian market, why would Mr. Burke or you, or any feeder, go from Nebraska or Texas or any State up into Canada to buy your feeders?

Mr. LASATER. I will endeavor to tell you, Senator. The places you mentioned there—Buffalo, N. Y., and Detroit, Mich.—are not regarded as feeder markets in this country. They are not contiguous

to nor do they command feeders from the beef-producing sections of this country. They are both in dairy districts. Mr. Burke, I venture to say, or any other Nebraska feeder, never bought a feeder in Detroit or in Buffalo. Now, if you take the markets of Kansas City and Chicago, where the feeders are sold, I think a comparison will be valid. If you find those markets reported in the same book, I suggest that you take those figures.

Senator STONE. I have not the figures on live cattle in this book, but I have in this book a comparison of prices of beef in Chicago, Toronto, and Montreal. That is a fair comparison, is it not?

Mr. LASATER. Yes, sir; that would be fair.

Senator STONE. According to them, a No. 1 beef carcass in Chicago, Ill., in February, 1911, sold for \$9.50; at Toronto for \$9.50; at Montreal, \$9.50 to \$10.75. A No. 2 beef carcass brought \$8 at Chicago and \$9 at Toronto. That shows the higher market price in the markets of Canada, as compared with Chicago, which is the leading market of the United States.

Mr. LASATER. You say the price at Chicago is given there at \$9.50?

Senator STONE. Yes, sir.

Mr. LASATER. That is when?

Senator STONE. That is February, 1911.

Mr. LASATER. Well, I could not submit any facts now to show that those figures are incorrect. But I would like to state this: It is a matter of general knowledge that during last year, and, as far as I know, right up to recent months, the packers of Chicago had buyers in the Canadian markets purchasing export cattle to supply their markets in England. The fact that the exports of Canada did not diminish and have not diminished materially up to date, and that the exports of this country have continuously diminished for a period of, say, about four years, I think it would be conclusive proof that on the average, for that length of time, the Canadian markets must have been lower than the American markets.

Senator STONE. I have been reading the debates, more or less, in the House of Commons of Canada, and I find that the same arguments are made against the reciprocity bill in Ottawa that are made in Washington, only the opponents of the bill there claim that it will ruin Canada, ruin the Canadian cattle market, for instance; while the opponents here claim that it will ruin the American cattle market. Now, a Mr. Curry, a member of the House of Commons, gives a table of prices, comparing Toronto and Chicago from May, 1901, to May, 1910—that is, for a period of 10 years—showing that in each instance the prices of beef steers weighing about 1,100 pounds were higher in Toronto than in Chicago, running through that whole period. Do you agree to that?

Mr. LASATER. No, sir; I do not.

Senator STONE. Well, are you prepared to disprove it?

Mr. LASATER. I think Judge Cowan absolutely disproved it in the testimony submitted here yesterday. He showed that while the exports of cattle from the United States has practically ceased, diminished more than two-thirds, Canada had succeeded in maintaining her exports to Great Britain in competition with Argentina, and that we had fallen off 66½ per cent.

Senator SMOOT. That is for last year, 1910?

Mr. LASATER. The shrinkage last year was even greater than for the five years back.

Senator STONE. I have here a table prepared, as far as the United States is concerned, by the Agricultural Department of this country, and as far as the Canadian Provinces are concerned, by the agricultural department of that country; and their statements of the prices of cattle are embodied in the tables which I find incorporated in this report of the tariff board, at page 110. One column gives the comparative prices of dairy cows, but I will pass that now. Outside of the milking cows, the average price of cattle other than dairy cattle in the following States: Maine, New Hampshire, Vermont, New York, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, North Dakota, South Dakota, Texas, Montana, Idaho, Washington, and Oregon—the average price given for all those States is \$19.41 per head, whereas the average price of cattle in Canada for all the Provinces given is \$31 per head. That covers all classes of cattle other than dairy cattle. I have called your attention to particular kinds of cattle, to stockers and feeders.

Mr. LASATER. Yes, sir.

Senator STONE. And now I call your attention to the general average, as given by the two agricultural departments, showing that they are 60 per cent or something like that higher, the general average, in Canada than in the United States.

Senator SMOOT. It is over 50 per cent.

Mr. LASATER. I suppose the data on which that table was based was taken from the tax rolls, or how is it acquired? I think they have taken the assessed values of the different States.

Senator SMOOT. This is the heading, "Number and average value of average live stock on farms, all classes, in specified States." That certainly must take all sorts of cattle in the United States, because at the head they say "the number of live stock on farms," in 1909, in the United States, 47,279,000, and I think that is the number as reported by the department; and, in Canada, they say the number is 4,384,779.

The CHAIRMAN. He refers to Crop Reporter of February 11 and the census statistics of January 11.

Senator STONE. The data was published in those publications, one of which, the Crop Reporter, is printed by the Department of Agriculture here, and the Census Statistics Monthly is published by the agricultural department in Canada.

Mr. LASATER. I submit that can not be correct. You can take the market prices; that is, what the cattle are bringing on all the markets of the country, as given by the daily market reports—the prices on beef, cattle, feeder cattle, and canners—and you will see the lowest grade will show they net back to the farm near the average price stated by Senator Stone, which is \$19, and the better grades more than twice \$19 per head.

Senator STONE. I find that, looking through the States, the lowest average of any of the States is \$14.30, in Minnesota, and it runs up to \$27.40 a head in Montana. That indicates the range of prices?

Mr. LASATER. Yes, sir.

Senator STONE. In these States named, while in Canada the prices vary from \$31 per head in Saskatchewan to \$34 per head in Ontario.

Now, you have the prices given here of cattle in the western Provinces, or one of them—indeed all of them—in this table, as well as in Ontario and Quebec. You objected a moment ago when I quoted the figures there that that was a dairying district, but now I give you the figures of the western as well as the eastern.

Mr. LASATER. You find the Canadian values run pretty close to each other.

Senator STONE. No; I find they are higher than in the United States.

Mr. LASATER. As I say, I don't know how the Agricultural Department got the figures—how they got those estimates—but it is readily apparent that for a year back, or five years back, the markets of our country from day to day have been paying more than that on the cheapest grades of cattle sold on those markets; unquestionably those figures must be wrong.

Senator SMOOT. It shows here that the lowest prices quoted for cattle in Minnesota, namely, \$14.30 a head, as against \$31 in Saskatchewan, the lowest price of the same grade of cattle in Saskatchewan is about 220 per cent higher than in the United States. Do you think that is so?

Mr. LASATER. I know it is not so. As I say, I don't know how our Government got the statistics, but I know they do not indicate the facts.

Senator McCUMBER. It must have been upon assessments, because it is impossible to get in different estimates between the States, such as Montana and Minnesota. Canada must assess upon a very much higher basis. Probably Minnesota assesses upon a 20 to 30 per cent basis, and Canada may be upon a 50 or 60 per cent basis.

Mr. LASATER. Canada may give full rendition and our States vary from 50 to 60 per cent.

Senator STONE. I will give you another example. You can test this and see whether it is true, that on May 13, 1910, beef cattle, 1,100 and 1,200 pounds, sold at Chicago at \$6.25, and in Toronto at \$7.

Mr. LASATER. When is that?

Senator STONE. May 13, 1910.

Mr. LASATER. That is absolutely wrong. Chicago is considered our base market. The prices on every market in this country are based on Chicago. We pay in Fort Worth what they bring in Chicago, less cost of freight and shrink.

Senator STONE. Chicago quotations?

Mr. LASATER. Last year the highest price of which I sold in Fort Worth was \$7.80; very little stuff sold under \$5.50, and what we term "prime dressed beef" at \$6.50 to \$7.80.

Senator STONE. Last year, during April, May, and early June, if the Chicago quotations given in the market reports correspond with this statement, then you are wrong.

Mr. LASATER. They do not correspond; they can not.

Senator LA FOLLETTE. There is something very extraordinary about these figures. I know it can not be accounted for upon the ground of these being the figures of assessment for taxes, because in Wisconsin taxes are assessed at the full value of the property—taxes upon real estate and upon personal property. We are just at the end of a long struggle to bring that about. I know that

that is so from what I know about it, and it is worthless to make this assertion; from what I know personally about the stock of those of this State, I know that that figure is altogether too low for the average value of cattle per head.

Senator McCUMBER. There is no such difference between Minnesota, North Dakota, and Montana as those figures indicate.

Senator SMOOT. I see here that the price quoted in Wisconsin for cattle is \$16.40.

Senator CLARK. That case might include all ages of cattle, and in another case it might not, although it says "other cattle than dairy cattle."

Senator STONE. My impression is that it includes all cattle, other than dairy cattle, and calves—

Senator SMOOT. Calves are not cattle, and they are always given separate in every other report.

Senator CLARK. There is certainly an error somewhere if it includes all sorts other than dairy cattle.

Senator STONE. It purports to be the same thing in both countries, according to that head.

Senator McCUMBER. If there was that difference, the Canadians could afford to buy cattle there and ship them down here, and buy them back again and ship them back to Canada again.

Senator CLARK. Here is a contrast between Wisconsin and Indiana of over 50 per cent. That could not possibly be true if they were the same grade of cattle, for if they were the same grade of cattle they would find the same markets within a hundred miles.

Senator STONE. We can discuss that on the floor of the Senate.

Senator BAILEY. I will tell you what I would like to do; sooner or later I would like you to bring the Secretary of the Department of Agriculture or some other well-informed man from that department, and let them explain what they have never explained yet, exactly how they compute the number of cattle in this country. I called attention yesterday, when Mr. Cowan was addressing the committee, to the fact that in 1890 the number of cattle estimated was given at 36,000,000 head in round numbers; in 1900, 10 years afterwards, it is given as 27,000,000 head in round numbers. Then the very next year, in 1901, it rises to 45,000,000 head.

Senator CLARK. 1911 gives here 69,000,000 head.

Senator BAILEY. In 1910 about 47,000,000 head.

Senator CLARK. 21,801,000 dairy cattle.

Senator BAILEY. I am talking of other than dairy cattle—and, of course, there could not have been 27,000,000 head of cattle in this country in 1900 and 45,000,000 in 1901, even if you say the estimate of 1900 did not include the calf crop and the estimate of 1901 did include the calf crop. The calf crop, Mr. Lasater, would not add 80 per cent?

Mr. LASATER. That is an impossibility; no, sir.

Senator BAILEY. I would like to have some gentleman from the Agricultural Department come here and explain just exactly how they do get these estimates.

Senator SMOOT. The man that prepared this report for the President of the United States he would be a good man to come before the committee and explain all details.

Senator BAILEY. Let us finish this, and before we get through have him called.

Senator STONE. Those figures are prepared by the Tariff Board and are in here.

Senator SMOOT. It may be that the figures are for Canadian cattle alone—doggies—and then that would explain the whole thing.

Senator STONE. What is that?

Mr. LASATER. The Department of Agriculture, Bureau of Statistics, No. 8, series 1910-1911, Monthly Summary of Commerce and Finance of the United States, February 11.

Senator STONE. Where are you reading from?

Mr. LASATER. Page 1455, for the issue of February, 1911. The top price, 100 pounds of cattle on the hoof for each week, native steers, Texas steers, and cows; March 5, native steers, \$8.25; Texas steers, \$7.10; cows, \$7.

Senator STONE. Seven what?

Mr. LASATER. \$7 a hundred.

Senator SMOOT. Is that at the Chicago market?

Mr. LASATER. Chicago market; yes, sir. March 12, native steers, \$8.10; Texas steers, \$7.20; cows, \$6.65. That would be the native cow, not the Texas cow. March 19, native steers, \$8.65; Texas steers, \$7.60; cows, \$7.45; March 26, native steers, \$8.85; Texas steers, \$7.75; cows, \$8.85.

Senator STONE. Is that beef steers?

Mr. LASATER. That is the finished steer on the Chicago market. You read from data purporting to give the Chicago market, and that is this year.

Senator SMOOT. What page is that on?

Mr. LASATER. Page 1455.

Senator STONE. This is copied by the publisher of the Shoe and Leather Reporter.

Mr. COWAN. Oh, no; that is issued by the Department of Agriculture.

Senator STONE. I said it was taken from the Shoe and Leather Reporter.

Mr. COWAN. You are reading the wrong page. You are reading leather instead of cattle.

Senator SMOOT. Hides are on the same page.

Senator STONE. I am not discrediting it on that account; I am just calling attention to the fact. I want to put this in the record. This is "Department of Agriculture, Bureau of Statistics, No. 8, Series 1910-1911, Monthly Summary of Commerce and Finance of the United States, February, 1911, at page 1455."

I want to ask you a question before we proceed, just to get your views. If cattle are cheaper in Canada, as you think, than in the United States, why are not they imported into the United States?

Mr. LASATER. Have we not a duty on cattle coming from Canada into the United States?

Senator STONE. We have.

Mr. LASATER. I suppose that duty keeps them out.

Senator STONE. We have a duty on cattle coming from Mexico into the United States also.

Mr. LASATER. Yes, sir.

Senator STONE. It has not kept them out from that country.

Mr. LASATER. From the fact that they can pay a duty and get a better market here than they can get in Mexico.

Senator BAILEY. In addition to that, if you will permit me, Canadian cattle are worth more than \$14, and pay 27½ per cent; and the Mexican cattle are worth less than \$14 per head, and therefore pay a lower duty.

Mr. COWAN. \$3.75?

Senator STONE. Let us see about that. Take last year, for example, 1910. For the fiscal year ending June 30, 1910, and up to that time the dutiable imports for the consumption of cattle from Canada to the United States consisted of 5,168 head, valued at \$109,772. Now, that was a per capita value of \$21.24.

Senator CLARK. Senator, right there appears to be a discrepancy. That is, cattle that we imported into the United States from Canada were valued at \$21 and some cents a head. The lowest valuation is \$23 in Manitoba, in the table that they gave us before, and Prince Edward Island, while in Saskatchewan it is \$34, and \$30 in Alberta. There seems to be some discrepancy as to the valuations there.

Mr. LASATER. Senator, I think I can explain it this way. I think that you will find cattle which we imported into this country were imported from contiguous country to New York State, and that they were imported as feeders and used for feeders—probably came through the Buffalo market.

Senator STONE. But if they were cheaper over here, I can not see why—

Mr. LASATER (interrupting). It carries out the point that I made that the feeders pay the duty and still sell on the Buffalo market at a price cheaper than the Buffalo feeder could go West and buy the young steer and bring him East.

Senator STONE. Let us see about that. Senator Bailey suggested, as you did, that the duty kept them out.

Senator BAILEY. I did not state it that way. I did not suggest that the duty kept them out. I simply explained that we bring a different kind of cattle from Mexico than what we bring from Canada. I did not say that they would come in and, in fact, I did not know at that time, as I had not examined to see how many had come from Canada; in fact, from your figures, indicating that prices are so much higher in Canada than here, I supposed that none had come in.

Senator STONE. Some did come in, 5,168 head. Now, let me see, three-fourths of that total importation paid 27½ per cent ad valorem duty?

Mr. LASATER. Yes, sir.

Senator STONE. The other one-quarter paid 21 per cent ad valorem.

Senator BAILEY. Senator Stone, will you give me the page of the document that you read from there? I want to follow it.

Senator STONE. At this moment?

Senator BAILEY. Yes, sir.

Senator STONE. I am not reading from a document at this moment. What I am reading from is a statement furnished me by the Bureau of Trade Relations of the State Department, giving the number of cattle imported from Canada for the fiscal year 1910 and the equivalent ad valorem duty paid.

Senator SMOOT. How many did he say?

Senator STONE. Five thousand one hundred and sixty-eight head; the average duty on the whole was a little under 25 per cent ad valorem. The duty, therefore, going and coming was about the same, and yet I find that in 1910 we imported from Canada 5,168 head of cattle and exported into Canada 10,283 head, twice as many as we imported; and going back to the previous year, we imported from Canada 10,061 and exported to Canada 8,110 head.

Mr. LASATER. Without knowing the absolute facts, Senator, I would state that our exportations from this country came from the extreme Northwest, consisting of cattle taken over by emigrants and some ranches that raised the young cattle on this side and finished them on the Canadian side. I should think that would explain those exportations; while not knowing it absolutely to be a fact, I know that obtains to a certain extent.

Senator STONE. Senator McCumber would more likely know, living there. Would an emigrant going north along the Saskatchewan, going there to live in that country, pay a duty upon domestic animals or farm stock that he takes with him?

Mr. LASATER. I do not know it to be a fact, but I have understood that he may take household goods, and so forth, in without any duty.

Senator STONE. I suppose that is true.

Senator SMOOT. I doubt very much whether it is so. Into Alberta, I believe, they charge them a duty upon all that they take.

Senator BAILEY. Whether they pay a duty or not, they would count them imports. We count everything coming into this country in the volume of import, whether duty paid or free. We divide it into duty paid, but the gross value includes those that are dutiable as well as those which do not pay duty.

Senator STONE. What puzzles me, Mr. Lasater, is this: Why, with the duties on cattle going into Canada from this country, or vice versa, substantially the same, and if it be true that cattle are higher in the States than in the Provinces, why import from the higher little market here into the cheaper markets of Canada more cattle than Canada exports to us from her cheaper market to our higher market?

Mr. LASATER. The thing is this, Senator—

Senator STONE. I do not understand it.

Mr. LASATER. The volume stated is so infinitesimal one way or the other it would not cut any figure upon the prices of beef or meats in this country. Now, the special conditions that permit this country to export about the same number of cattle they import, I do not know, but you can readily see it does not cut any figure in the prices of beef or meats in this country.

Senator STONE. It does not cut much figure?

Mr. LASATER. The volume, to that extent, could not make any difference to us.

Senator STONE. Probably. Will you also explain the converse, why, if the stock is higher in Canada than it is in the United States, they export into the United States, where the stock is cheaper?

Mr. LASATER. I do not think that could be explained on the statement that cattle are either higher here and lower there, or lower here and higher there. I know a great many cattle are exported from this country into Alberta, in the shape of young cattle, and for the purpose of feeding them and maturing them upon the ranges of Al-

berta. They take on fat better and quicker than Doby cattle of Canada.

Senator CLARK. Here is a statement that might throw some light on the subject:

In exceptional years packers have paid our duty and sold a limited number of cattle on the Chicago market, but ordinarily this is not profitable. In recent years, since the great decline in our own available range for cattle grazing set in, our growers have at times leased Canadian range and driven western and southwestern bred steers across the border. These can be returned duty free if brought back within six months. Such western growers as seek the advantage of northwestern Canadian grass naturally desire free entrance to our own market without payment of duties.

Mr. LASATER. That is the only fact I am acquainted with that would explain it.

Senator STONE. I want to ask you one other question on that phase of the free list—opening the meat products of the world to our market. Do you think if that should be done that the injurious effect you fear on the price of cattle would manifest itself immediately, or do you regard it as something that might occur at some time in the future?

Mr. LASATER. It might not come in 30 or 60 days, but I think it would come before we could make two crops of beef and market them.

Senator STONE. Practically immediately?

Mr. LASATER. Practically immediately; yes, sir. As Judge Cowan showed here, Argentina has now about one-third the capacity of the world, as far as beef is concerned.

Senator STONE. Argentina?

Mr. LASATER. Argentina. I think Judge Cowan submitted facts that demonstrated that proposition.

Senator STONE. I have these figures. I asked this same Bureau of Trade Relations to find and furnish me with the total number of cattle, so far as they ascertained, in the United States and other countries. They furnished me with the figures for all the leading cattle-producing countries of this hemisphere, running from Canada down, and also for Australia and New Zealand. The total number, as that bureau gives it, is 168,546,742, of which 71,059,573, are from the United States, or about 43 per cent of the whole, whereas Argentina is given as 29,116,625.

The list included Canada, Mexico, Argentina, Brazil, Chile, Colombia, Paraguay, Uruguay, and Venezuela, with something like, in round figures, 90,000,000 cattle. I want to ask you, charging the United States with this proportion of cattle and of the proportion allotted to the southern countries and Canada, Australia, and New Zealand, if the United States should be closed out on the foreign market under present conditions—it is being closed out, according to Judge Cowan and according to these official figures, very rapidly—will the supply from these other countries be sufficient, or more than sufficient, as the case may be, to supply the meat demand of the world outside of the United States?

Mr. LASATER. My idea would be this, Senator, that the best we could hope for would be, to a certain extent, an equalization between our present prices and what the lessened prices are to-day, and my information is that there is about \$1.50 to \$2 in our favor at present. If they met on a level, it would make us about three-fourths of a

cent to a cent lower than we are to-day. It looks to me like that would make that level of prices to a certain extent permanent. In other words, we could not hope for anything better than that, because Argentina and even Canada have shown they can produce at the present level of prices, while we know we can not produce at the present level of prices. That being the case, that would have a tendency to increase their production to take the place of our supply as the local production here diminished, and that would materially decrease the live stock produced in this country.

Senator STONE. Then your idea is these other countries would supply all meat to the balance of Europe and the whole world outside of the United States, but still have a surplus of meat?

Mr. LASATER. As I understand it, these countries are not getting into the whole world or into the whole of the European market. The market of Argentina is practically confined to England. Germany, France, Belgium, or Austria do not admit meats from us or Argentina.

Senator STONE. If they drive us out of the markets of England and the associated islands and take possession of them, can Argentina do more than supply that market?

Mr. LASATER. Argentina is to-day practically supplying the British market. Now, the evidence introduced here by Judge Cowan says that it is the opinion of our Agricultural Department—that is, the experts they have sent there to investigate—is that the production of Argentina is comparatively in its infancy; that they can not only produce the grades of beef that they are now producing, but that they can produce beef that will compare with the best we produce; that is, the corn-fed beef of the Chicago market.

Senator STONE. I asked you in the beginning if the advance you mentioned would come about immediately or in the future, depending on developments.

Mr. LASATER. I think it would commence immediately.

Senator STONE. Now, speaking to that point, if the capacity of Argentina is not greater than the demands of the British markets, if they take possession of those markets and supply them, what surplus do they have to send here? And if they should divert a part of it to our market, then there would be a vacuum in the British market to be filled from somewhere else—from here?

Mr. LASATER. I am speaking of the grower of beef, the producer, but not the middle man, who takes profit whether high or low. As I understand the proposition, the meat supplies both of this country and of Argentina are to a large extent handled by the same interests. Now, you put that interest in the position to put Argentina immediately upon our seaboard, both here and on the Pacific—or rather their meats are cheap, comparatively speaking—I can not see how these buyers will pay a higher price for our meat than they can place meats for from Argentina at New York, Philadelphia, or other consuming centers. And so I believe that at once it would fall to a parity of those markets, so that, as far as beef is concerned, from the producers' standpoint, I would like to state this: There does not seem to be any close relation between what the consumer gets and what the producer gets. You will see by to-day's market that there is a very wide margin.

Senator STONE. Let me ask you this: Do you agree with Judge Cowan that the beef supply of this country is greater than our home consumption? Are we raising more beef now than we consume in the United States?

Mr. LASATER. Judging from the statistical data we have at hand, which should be authentic, though I question it very much, we are.

Senator STONE. That would seem to be so from the fact that we have been exporting pretty largely to England and to other countries. We are being run out of our cheap markets every day by Argentina.

Mr. LASATER. And Canada?

Senator STONE. And Canada, and perhaps other countries, sending in cheaper meat. We can not export because of the low markets. What is going to be the effect under present conditions of continuing to raise a large surplus?

Mr. LASATER. Why, we won't continue it, Senator.

Senator STONE. Sir?

Mr. LASATER. We can not continue it. I might show by the statement that we have lost on the cattle market \$1 a head. Mr. Burke's company lost \$6 per head on the cattle they had marketed in Nebraska. Certainly, we can not continue to produce at this range of prices. It is only a question of time when we are bound to quit the business.

Senator STONE. Your contention is that the destruction of foreign markets, in and of itself, would greatly depreciate the domestic value of your cattle?

Mr. LASATER. Yes; it is bound to a certain extent to diminish it, unless we have a home demand. It is bound to diminish the price. We are interested, of course, in home market and the widest possible consumption. The one hope the producer has is that when we are on the lower level the consumer will get a corresponding benefit. That in itself will go a long way to overcome what is an apparent overproduction in the country.

Senator STONE. Is it your idea if Argentina meat can come in free to our markets that it will decrease the price of meats manufactured here, not necessarily to butchers and slaughterers and packers?

Mr. LASATER. I think any time they could buy their supply markedly less it would have a tendency to lessen the price the butcher would get on the block.

Senator STONE. Is that why you would think it would in turn depress the price of cattle?

Mr. LASATER. Beyond any question.

Senator STONE. If the meat price stayed up to the butcher and to the consumer, it would not affect the price of the cattle would it?

Mr. LASATER. Not necessarily.

Senator STONE. I can see some trouble about the free proposition as affecting the cattle of the United States. I do not see much in the Canada proposition. That is all.

Senator BAILEY [addressing Senator Stone]. If you would be willing to put into the record the statement that the Bureau of Trade Relations furnished you about cattle in all the countries on this continent, I would like to have that.

Senator STONE. I thought I read it, but I will hand to the stenographer. I will be glad to do that.

(The statement submitted by Senator Stone follows:)

Number of cattle in certain specified countries.

United States	¹ 71,059,573
Canada	7,359,086
Mexico	5,304,165
Argentina	29,116,625
Brazil	30,000,000
Chile	2,303,659
Colombia	2,800,000
Paraguay	2,283,039
Uruguay	9,000,000
Venezuela	2,004,257
Total in eight countries named	82,811,755
Australia	10,543,012
New Zealand	1,773,826
Total	168,546,742

Senator HEYBURN. I now ask Mr. Bronson to the stand.

Senator BAILEY. One question to Mr. Lasater. Mr. Lasater, you were asked the question, and you hesitated to pass judgment on it. I happen to know that Mr. Cowan claims that this report on the Tariff Board is not in all respects reliable, and if that is true, of course, it is very important; and I am going to ask the committee to let Mr. Cowan give his reasons for thinking that. A member of the committee asked Mr. Lasater, and while he dissented on the figures given in that report, he did not venture to go into the question of its reliability.

Senator HEYBURN. Senator Bailey, aren't you going to have our cattlemen heard. You know we are going to have other cattlemen here. Are you not going to retain Judge Cowan until the cattle question is completed?

Senator BAILEY. I imagined it was concluded.

Senator HEYBURN. The cattlemen of the Northwest are here.

Senator BAILEY. Then I am going to make this request, so it may go into the record, that Mr. Cowan prepare such criticisms as he sees fit of that document and we will invite him to present it to the committee.

Senator STONE. Mr. Chairman, in this connection I would like to say, as one member of the committee, that we ought to come to some conclusion as to when these hearings are to be concluded.

Senator CLARK. That is pretty difficult to do.

Senator STONE. We started in with the understanding it would close last Saturday.

The CHAIRMAN. As far as the chairman of the committee is advised, the hearings are coming to a close on reciprocity. The lumber people are yet to be disposed of, and after that there are only one or two general requests.

Senator HEYBURN. Wool interests of the Northwest have not been heard at all. The lumber men are here from the Northwest and also from the Pacific coast, and those, of course, come under the reciprocity; and the wheat men of the Northwest, who come under a

¹ Forty-three per cent of total.

distinctive class, are also to be heard. I do not think we could undertake, wisely, now to say when we would close. There is too much ahead of us.

Senator GALLINGER. I will venture to inquire if any manufacturer of meat requested to be heard?

I think some of them desire to be heard in opposition to the reciprocity bill. I do not know anything about it except it was stated to me.

Senator BAILEY. Of course we have had some manufacturers of paper before us.

Senator GALLINGER. It was on a different line.

Senator BAILEY. I want to suggest to the Senator from Idaho that if we have the question of free wool before us, which I hope we will not have, it will be on the wool and woollen schedule, which, if I am permitted to anticipate the action of the House, will come to us.

Senator HEYBURN. I realize that fully, and will say to the Senator from Texas that the sheepmen, being far in the majority, are very much interested in the question of sheep being driven across the line with their wool on them.

Senator SMOOT. And free mutton.

Senator HEYBURN. And free mutton. It is all involved in one question.

Mr. LASATER. Mr. Chairman, I would like to have permission to introduce here and file in the record a letter C. M. O'Donel sent to Mr. Cowan in relation to the cost of production of cattle in this country.

The CHAIRMAN. The letter will be received.

Mr. LASATER. The letter referred to is as follows:

THE RED RIVER VALLEY CO.,
Bell Ranch, N. Mex., May 1, 1911.

Hon. S. W. COWAN,

New Willard Hotel, Washington, D. C.

MY DEAR MR. COWAN. The latest threat against the solvency of the farmer and stock grower is this free-list bill. The measure seems to be peculiarly ill-timed in view of the depressed condition of the market for fat cattle and the certain fact that serious financial loss awaits all the farmers who have stocked up with feeder cattle within the last six months unless there is a very material improvement in prices at the slaughtering markets.

I wonder if the framers of this bill really think that the cattle growers are getting rich under the present conditions. A few facts may help to persuade them to the contrary.

As you know, this ranch is one of the largest breeding ranches in the Southwest. I believe it is the largest at present operating wholly on its own land. Therefore, I may be believed to speak with some knowledge of the subject. I may say, moreover, that we are more favored by natural conditions and more completely equipped than any ranch I know of for the breeding of cattle under range conditions.

The company is capitalized at \$1,000,000. In the 12 years since the organization of the present company we have never paid more than 2 per cent in annual dividends—and not always even that.

Since the corporation-tax law has been in force—that is, for the last two years—my returns to the collector of internal revenue have shown for 1909 an actual loss and for 1910 a profit of less than 5 per cent on the capital of the company. Nineteen hundred and nine was a year of serious drought, and there was a shrinkage in our assets. Nineteen hundred and ten was a year of the highest prices ever known in the history of the business. These two years may be taken as an example of the fluctuations of the cattle industry.

The question may be asked, Why in these circumstances do we continue in a business so unprofitable and one where a large part of our investment is in so very perishable a form of property as cattle? It is worth while making an

answer to this anticipated question because I am convinced that the answer applies equally to the case of all land-holding cattle companies in the Southwest. We continue in the business because we have a large capital invested in land of which we can make no other use than that of grazing cattle, and we hope that if we can hold on long enough the enhancement in value of the land will eventually bring us out whole. The cattle business, taken separately from the real estate, has not been profitably operated in northwest Texas or New Mexico for 25 years. If the prices obtaining for our product in 1910 and 1911 hold we can get some return on our capital; but I submit that the return is small in view of the risks attendant on the business, and that we are entitled to at least as much revenue from our investment as the purchaser of Government securities. The admission of the cheaply made meat from South America would be a grave misfortune to an industry that is only now beginning to see the light after a long period of darkness.

Yours, sincerely,

C. M. O'DONEL.

(Submitted by Mr. Lasater on the request of Senator Bailey.)

ADDRESS DELIVERED BY IKE T. PRYOR BEFORE THE ANNUAL CONVENTION OF THE CATTLE RAISERS' ASSOCIATION OF TEXAS, FORT WORTH, MARCH, 1910.

Members of the Cattle Raisers' Association, Ladies, and Gentlemen:

In assigning me the subject you have selected, "Is beef on the hoof too high when compared to the cost of production?" you certainly pay me a high compliment, which I fully appreciate. I want to assure you, however, it is no easy task to secure reliable information on which to base my argument. Personally, I feel confident beef on the hoof is not as high as it has been for the past 30 years, when comparison is made between the cost of production during that period of time and the cost of production at the present time, and to prove this assertion I endeavored to secure information from the Agricultural Department and other sources that would bear out this idea.

I believe it is universally understood that it takes about 2,500 pounds of hulls and about 1,000 pounds of cottonseed meal to fatten a steer. Adopting this amount of these two rations as a basis, I submit the following estimates as a result of 30 years' experience and observation. The selling price of the steer in these estimates is based on cattle marketed in St. Louis.

1880—30 years ago:

Cost of steer.....	\$15. 00
1½ tons hulls, at \$1.50 per ton.....	1. 87½
¼ ton cottonseed meal, at \$10 per ton.....	5. 00
Freight.....	4. 00
	<hr/>
Sell 1,000-pound steer, at 3½ cents.....	25. 87½
	35. 00
	<hr/>
Profit.....	9. 12½

1890—20 years ago:

Cost of steer.....	20. 00
1½ tons hulls, at \$3 per ton.....	3. 75
¼ ton cottonseed meal, at \$15 per ton.....	7. 50
Freight.....	5. 00
	<hr/>
Sell 1,050-pound steer, at 4 cents.....	38. 50
	42. 00
	<hr/>
Profit.....	5. 75

1900—10 years ago:

Cost of steer.....	25. 00
1½ tons hulls, at \$8 per ton.....	7. 50
¼ ton cottonseed meal, at \$20 per ton.....	10. 00

1900—10 years ago—Continued.

Freight -----	\$5. 00
	<hr/>
Sell 1,075-pound steer, at 4½ cents-----	47. 50
	<hr/>
	48. 37½
	<hr/>
Profit -----	. 87½
	<hr/>
At the present time:	
Cost of steer-----	30. 00
1½ tons hulls, at \$10 per ton-----	12. 50
½ ton cottonseed meal, at \$30 per ton-----	15. 00
Freight -----	6. 00
	<hr/>
	63. 50
Sell 1,100-pound steer, at 5½ cents-----	60. 50
	<hr/>
Loss -----	3. 00

Therefore these statistics show that the cost of feed to put a steer in prime condition when compared with the selling price of the animal 30 years ago was 19 per cent; 20 years ago, 26 per cent; 10 years ago, 36 per cent; and at the present time, 45 per cent. Think of the advance of hulls in 30 years, from \$1.50 to \$10 per ton, and cottonseed meal from \$10 to \$30 per ton, and compare this to the advance in the price of beef for the same time and you will find the feed has outstripped the price of beef by all odds in the matter of advance. A letter from Secretary Wilson, under date of February 1, states, taking the past 10 years as a basis, the price for the last year of good choice native steers at Chicago was 21 per cent higher; that hay, based on December 1 prices, was 26 per cent higher, and corn 38 per cent higher.

PROFITS IN CATTLE BUSINESS.

This should convince the consumers of beef that the cattle business is not so remunerative as they have been led to believe. I assert without fear of contradiction that but few cattlemen for the past two decades have made more than a fair profit on their investments in cattle. True, many of them have become wealthy, but this condition was brought about mainly by the rapid advance in land values and lucky speculations.

MIDDLEMEN.

In my opinion, the great army of middlemen of the United States who handle, one way or another, the products of the farm and the live-stock dealer is responsible for the high prices of beef on the block. In many instances a beef after it leaves the producer passes through at least three different hands—the packer, the wholesale butcher, and the beef cutter—each of whom adds to the original cost all the profit his particular line of trade will stand. Thousands of retail butchers in this country sell one-half of a beef or less each day and must make sufficient profit on this small quantity to meet the large expenses incident to city life. The wholesale butcher also is under heavy expense of a similar nature. The packers have a large capitalization, on which they are striving to pay dividends on stock and fair interest on bonds, all of which must necessarily come out of the pockets of the producer or consumer—more properly speaking, out of both.

On the one hand, the packers buy as cheaply as conditions will warrant. On the other hand, the retail butcher sells his beef as high as the consumer will permit.

The great problem to-day before the American people is to devise ways and means for the producer to reach the consumer with the minimum cost of handling his products.

SYSTEM OF MARKETING.

The production of beef is being carried on by such a multitude of individuals and under such vastly different methods and conditions the idea of a thorough and uniform system of marketing their product is out of the question, hence they would be at the mercy of the middleman did not the strong arm of the

law protect them. Give me immunity from the law and the financial power of the packers and I can dictate the price of beef to both the producer and the consumer. I am not prepared to lay all the blame on the packers for the high price of beef to the consumer; in fact, I doubt if they make as much money as the retail butchers when we consider the capital invested.

IMPROVED METHODS.

The modern methods pursued by the packers in slaughtering beef has become absolutely necessary to the trade. The large saving under their method over and above the old-time slaughterhouse system is such as to make the packing-house industry indispensable, but this fact should not justify in the least any violation of free operation of the law of supply and demand.

NUMBER OF BEEF IN TEXAS.

I estimate there are at least 700,000 steers in the State of Texas. Had cottonseed meal and hulls, on which the majority of cattle fed in Texas are fattened nowadays, sold at a fair price, about half of these cattle would have gone into feed lots and from there to market centers, which would have relieved the situation very materially; and what applies to Texas in this regard would apply to Oklahoma, Kansas, and in fact all the cattle-producing States, though in a less degree. Thus, you see the shortage of feed and the consequent high price of same is the principal cause of the shortage of beef.

FREE ADMISSION OF CATTLE.

There has been some agitation and a little apprehension on the part of the cattle raisers of Texas that cattle might be admitted into this country free of duty, especially from Mexico. Should this measure be enacted it would only aggravate the conditions and increase the number of cattle unfit for market. As stated heretofore, there are a large number of cattle in all the cattle-producing States withheld from feed lots on account of the high price of feed. Free admission of cattle would increase this number very greatly, but would not relieve the situation; it would only tend to aggravate present conditions and increase the price of feed, thus making it more expensive to fatten a steer than it is now.

I deny that the shortage of cattle is responsible alone for the so-called high price of beef. If the stock raisers and stock farmers are forced to sell their beef on the hoof at a less price than they are receiving at this time, it would cause them a loss, owing to the high price of everything required to put a beef in prime condition. Hence the cause of the shortage in beef is not a shortage in cattle, but a scarcity of beef in the market centers, owing to the high price of feed necessary to put the beef steer in prime condition. This is an inning for the farmer, and he is entitled to all he gets out of it.

BACK TO THE FARM.

The only way to reduce the profit of the farmer is to increase the output of the farm as well as increase the number of farmers. Turn the tide from the city back to the country. The slogan should be "back to the farm"; become a producer instead of a consumer. The idea of moving to cities to educate the children is an erroneous one; parents should move from the cities to the country to rear and educate their children, and thereby make of them strong, robust, self-reliant, and independent men and women, improving their condition physically if not mentally.

This is the true solution of the correction of high prices for the necessities of life. Farm life is altogether different now than it was years ago when the tide turned from the country to the cities. Telephones, automobiles, rural free delivery, and good roads have added a great deal to the advantage and convenience of farm life.

So long as the Anglo-Saxon race continues to be the greatest meat-eating people on the globe they will continue to set the pace for all other races in the arts of both war and peace. To do this they require the blood and nerve-making qualities of animal-product food. You need not fear a successful boycott on beef. To eliminate this wholesome diet from the American table would be a retrogression the people of this country would not tolerate.

HEARINGS ON THE TARIFF

BEFORE THE

COMMITTEE ON FINANCE

OF THE

UNITED STATES SENATE

ON

HOUSE BILL 4413

SIXTY-SECOND CONGRESS

SECOND PRINT No. 5

FRIDAY, MAY 19, 1911



WASHINGTON
GOVERNMENT PRINTING OFFICE
1911

COMMITTEE ON FINANCE.

UNITED STATES SENATE.

BOIES PENROSE, *Chairman.*

**SHELBY M. CULLOM.
HENRY CABOT LODGE.
PORTER J. McCUMBER.
REED SMOOT.
JACOB H. GALLINGER.
CLARENCE D. CLARK, of Wyoming.
WELDON B. HEYBURN.
ROBERT M. LA FOLLETTE.**

**JOSEPH W. BAILEY.
F. M. SIMMONS.
WILLIAM J. STONE.
JOHN SHARP WILLIAMS.
JOHN W. KERN.
CHARLES F. JOHNSON, of Maine.**

HF 1756
1911

HEARINGS ON THE TARIFF.

COMMITTEE ON FINANCE,
UNITED STATES SENATE,
Washington, D. C., Friday, May 19, 1911.

The committee proceeded to the consideration of H. R. 4413, Hon. Boies Penrose in the chair.

Present, Senators Penrose (chairman), Lodge, McCumber, Smoot, Gallinger, Clark, Heyburn, La Follette, Bailey, Simmons, Stone, Williams, Kern, and Johnson.

STATEMENT OF JUDGE S. H. COWAN, OF FORT WORTH, TEX.

Mr. COWAN. Mr. Chairman and gentlemen, it is not my desire to submit any further statements than I have done, and I now submit them because requested to do so, and those statements pertain to the recognized evidences of the value of particular classes of live stock in the United States and Canada covering a period of a number of years. I ask that the typewritten statement which I have prepared, together with the documentary evidences attached, which is explained by the typewriting, be made a part of the record. Having asked that, I will say that the Table No. 26 of the Tariff Board, which gives the number and average value per head of live stock on farms and by classes in specified States and in Canada, was not, according to my understanding, prepared by the Tariff Board at all, but, I learn from Mr. Saunders, was taken from the bulletin issued by the Agricultural Department of the United States, gathered by the Census and Statistics Monthly of Canada for January, 1911, and that the Tariff Board knows nothing about it other than the figures that they get from this statement. I have the pleasure of knowing Mr. Saunders very intimately, and have for years, and I know they would not put before the committee a statement which they intended should mislead the committee. Unfortunately in the remarks respecting this table the tariff committee used the expression which I think was quoted by Senator Stone the other day, no doubt with the utmost reliance on his part, that prices of "other than dairy cattle" vary in the United States from \$14.30 a head in Minnesota to \$27.40 in Montana, while in Canada the range of prices is from \$31 in Saskatchewan to \$34 in Ontario. As a matter of fact, the table in no sense refers to the price at which any particular class of cattle is sold.

That was merely an inaptitude of expression by whoever read the report of the Tariff Board. The only figures that they have given show the forty-seven and odd million cattle other than milk cows in the United States and their estimated value, and divides the total number of cattle, including oxen and the calves of milk and dairy cows and all others into the aggregate, and that produces a certain sum of money, but it is representative of nothing as indicative of the

relative prices of cattle in this country and elsewhere. We do not know whether those monthly statistics embrace the calves or other beef cattle, and I have been unable to find it, and I have searched everywhere. I went to the Tariff Board, and they could not find it for me, so I do not know. Now, we must cast that aside, as it is unimportant. We then went to the statistical department of the Bureau of Commerce and Labor and we found there a pamphlet, the name of which is given in my typewritten statement here, which is issued by the department of agriculture of the Dominion of Canada under its authority, giving the prices by months from 1890 to 1909 of cattle under the heading of "Butchers' choice steers" in one table and "Western prime steers" in another, the first being at Toronto, and taken from quotations from the *Toronto Globe*, counting that as a reliable journal. The other consists of quotations taken from the *Manitoba Free Press*, giving the quotations as at Winnipeg off the cars.

The next table is the wholesale price of meat in Canada taken from a report of the Harris Abbatoir Co. (Ltd.), of Toronto. Those are the sources of information I rely on and everybody in trade must rely on. Now, I submit the yearbook from the Chicago Drovers' Journal to show the price of cattle for the different years of various classes of cattle at Chicago for the same period of time. Then I take from the annual report of the Chicago stock yards the range of price, high to low, covering that period of time. Then I take from the monthly statistics of Commerce and Finance of the United States, of the Department of Commerce and Labor, prices of natives steers, Texas steers, and calves on the Chicago market down to 1911. Then I have a reference headed "Diastrous slump in values of live stock," in which is given prices for April, 1910, and April, 1911.

Now, from all these sources we have compiled this information. In addition to that, in the typewritten statement will be found quotations taken from issues of the *Toronto Globe*, which I examined in the Congressional Library yesterday. The conclusion I reached is this: That the value of cattle, when we go to fix the price of cattle, the prices where they are sold and what they actually sold for, shows that during this entire course of time cattle had been worth less in Canada than in the United States, with the exception that export cattle to-day, since the great slump in the American market, has reached very close to the prices in this country and are somewhat lower there, as evidenced by the fact, as we recite from the *Toronto Globe*, that Swift & Co. and Morris & Co. have bought a certain number of steers in Toronto in May and shipped them for export to England. I do not believe the Tariff Board will dispute those facts. As to the value of dressed beef, the Tariff Board gives No. 1 and No. 2 classes, and I have not been able to find any such designation in any price list; but taking the value of beef as given there, this book to which I have referred, and taking the value of beef as given in the statement I filed a few days ago, that had been furnished by the Bureau of Statistics, you will find that the value of dressed beef is somewhat less in Canada than it is in this country.

That is all I have to say in that particular. I want to acquit the Tariff Board of any intentions, of course, to present any statement

here or any other report that would be intended as misleading, but I think you must take the range of prices covering a period of years and not attempt the method that was used. Furthermore, the Tariff Board furnishes you no information whatever. I have furnished you all the information there is on this subject from the Government reports covering a period of years both here and in Canada from the recognized sources of information upon that subject. I also refer the committee to the prices which the Matador Land & Cattle Co. sell their cattle, going back 10 years, as reported to the Committee on High Cost of Living, and which will be found in volume 2, page 620, in the report of the proceedings of that committee. Now, it is a fact that at certain periods of time cattle for export have in the past been somewhat higher in Canada on occasions than they have in the United States, if you take into consideration the relative freight charges, but that was only for one year in the entire business carried on in Canada by the Matador Land & Cattle Co. Mr. MacKenzie, in his statement, however, makes some errors, as he did not have a chance to correct it, as I personally know, before it was printed, in which he refers to certain cattle as 2-year-old steers and bringing them out at 4 years old. You can take them in for grazing for six months—I looked that up this morning—and that is the identical rule under the Dingley Act and under the present act. So, Mr. MacKenzie was mistaken in that statement.

I only wish to submit these facts for your consideration, and I hope that what I have said, together with all I have submitted in typewriting and the documents, will be printed as a statement of what I have heretofore said, not with a view to criticizing the Tariff Commission or the Tariff Board, but in view of not furnishing facts, which it did not do.

Senator BAILEY. Mr. Chairman, I want the statements as submitted, together with all the other statements of Mr. Cowan, to be printed by themselves, and, without wanting to interrupt the next witness, it looks to me like all this matter, on being printed, ought to be kept as separate as possible. I think the whole lumber hearing ought to be printed together and the whole cattle hearing, etc.

The CHAIRMAN. An effort will be made to act on that suggestion, and we will endeavor to have the subjects all together as near as possible.

FURTHER STATEMENT BY JUDGE S. H. COWAN, TOGETHER WITH DOCUMENTS SHOWING THE PRICES OF CATTLE IN THE UNITED STATES AND CANADA.

I was requested to submit such evidence as I might have to show that the statement of the Tariff Board in the pamphlet entitled "Reciprocity with Canada," page 110, Table 26, does not represent the relative prices of cattle in the United States and Canada.

I have already submitted various price lists, as will be found in the report of my statements at the hearings before this committee on the 15th and 16th.

The table and comment on pages 110 and 111, Reciprocity with Canada, are as follows:

Number and average value per head of live stock on farms, by classes, in specified State and Canada.

	Horses.	Dairy cows.	Other cattle.	Sheep.	Swine.
Number of live stock on farms (in 1909):					
United States ¹	21,040,000	21,801,000	47,279,000	57,216,000	47,782,000
Canada ²	2,132,489	2,849,306	4,384,779	2,705,390	2,912,509
Average value per head (in 1910):					
United States—					
Maine.....	\$125.00	\$33.00	\$16.90	\$3.70	\$11.50
New Hampshire.....	106.00	36.20	20.30	3.70	11.50
Vermont.....	106.00	34.20	14.40	4.00	10.00
New York.....	125.00	39.50	18.20	5.00	11.50
Indiana.....	122.00	41.00	24.50	5.20	10.00
Illinois.....	124.00	42.80	26.40	5.30	10.90
Michigan.....	126.00	39.50	18.50	4.70	10.50
Wisconsin.....	121.00	36.60	16.40	4.50	11.80
Minnesota.....	111.00	33.00	14.30	4.00	11.50
Iowa.....	120.00	36.00	22.20	5.30	11.30
North Dakota.....	114.00	33.90	20.50	4.00	11.00
South Dakota.....	105.00	33.00	21.50	4.00	11.10
Texas.....	73.00	29.50	15.30	2.90	6.60
Montana.....	80.00	46.50	27.40	4.20	10.10
Idaho.....	102.00	41.40	21.40	4.70	8.70
Washington.....	108.00	41.80	19.90	3.90	9.40
Oregon.....	103.00	39.60	18.50	3.70	8.20
Average.....	108.19	35.79	19.41	4.08	9.14
Canada —					
Prince Edward Island.....	107.00	32.00	23.00	6.00	10.00
Nova Scotia.....	113.00	37.00	29.00	4.00	11.00
New Brunswick.....	131.00	34.00	28.00	5.00	12.00
Quebec.....	139.00	31.00	31.00	6.00	13.00
Ontario.....	133.00	48.00	34.00	7.00	10.00
Manitoba.....	107.00	40.00	23.00	7.00	13.00
Saskatchewan.....	156.00	41.00	31.00	7.00	13.00
Alberta.....	126.00	39.00	30.00	6.00	12.00
British Columbia.....					
Average.....	133.00	43.00	31.00	6.00	11.00

¹ Crop Reporter, United States, February, 1911.*

² Census and Statistics Monthly, Canada, January, 1911.

Prices of other cattle vary in the United States from \$14.30 a head in Minnesota to \$27.40 in Montana, while in Canada the range of prices is from \$31 in Saskatchewan to \$34 in Ontario.

Prices of sheep are much lower in the United States than in Canada, due to the fact that Ontario specializes on pedigreed flocks, as appears later on. In the United States they range from \$2.90 per head in Texas to \$5.30 in Illinois and Iowa, while in Canada the range is from \$4 in Nova Scotia to \$7 in Ontario, Manitoba, and Saskatchewan.

First. I deny that the prices of cattle in the United States vary from \$14.30 per head in Minnesota to \$27.40 per head in Montana for the same class of cattle, or that prices in Saskatchewan or Ontario are relatively higher for the same class of cattle than in the United States, or that the Tariff Board's figures should be given that construction.

It will be observed that the figures given in the table under the heading "Average value per head of live stock on farms" do not refer in any sense to the price at which any particular class of cattle is sold. Whoever wrote the report substituted the word "prices" for "average value," and erroneously assumed that the averages

given in the Crop Reporter of the United States and in the Census Statistics Monthly of Canada referred to shows the price. The same figures are used as are shown in the table of average values—not prices.

Those average values, as shown by the Crop Reporter, issued by the Agriculture Department, do not purport to refer to the prices of any particular cattle. There is no such thing as average price of cattle except upon sales.

Referring to the Statistical Abstract of the United States for 1909, page 148, the total number of oxen and other cattle, exclusive of milk cows, as of January 1, 1910, is shown to be 47,279,000 head, with an estimated value of \$917,453,000. The number is the same as that given in the foregoing table, and by dividing the number into the value the same average value, within a few cents, is given as the average in the table, i. e., \$19.41. It is quite manifest that the Agriculture Department used this estimate, which might be above or below the total value, and divided all sorts of cattle, including calves, into the total estimated value, and it has no relation to the price of steers or other beef cattle.

Now, referring to Bulletin 55, entitled "Meat Supply and Surplus," published by the Department of Agriculture, and the compilation of census figures, page 50, it appears that there was estimated to be 18,809,000 calves, and it shows that the estimates of the Agriculture Department were based on the census figures. Supposing that the same method had been carried forward from year to year, it is of course plain that the average value obtained, as shown by the Tariff Board's report, would be the average value of all cattle, exclusive of milch cows, which was obtained by dividing the annual calf crop and all other cattle, exclusive of milch cows, into aggregate value of such cattle, because the calves were embraced within the aggregate number and aggregate value. It is therefore certain that those figures can not be used for the purpose of showing the price of cattle, relatively or otherwise, and doubtless the Tariff Board did not intend it to represent prices, as the heading of the table states that it represents the average value per head.

In the opening months of 1909, the Department of Labor of the Dominion of Canada caused to be prepared a report of the wholesale prices in Canada during the 20 years from 1890 to 1909. This report was submitted to the Department of Labor by Deputy Minister F. A. Acland on the 16th day of May, 1910 (to be found at the Bureau of Statistics of the Department of Commerce and Labor), and from it I take the wholesale prices of cattle in the Toronto market, as shown on page 71 of that publication, which was issued from the government printing bureau at Ottawa.

These wholesale prices in Toronto for butchers' cattle were: Choice steers—price per hundredweight on the first market day of each month (quotations from the Toronto Globe):

Wholesale prices, Canada, 1890 to 1909, animals and meats.

BUTCHERS' CATTLE. CHOICE STEERS.

[Per hundredweight, at Toronto, on the first market day of each month. Quotations from the Toronto Globe.]

Months.	1890	1891	1892	1893	1894	1895	1896	1897	1898	1899
January.....	\$3.75	\$3.75 4.00	\$3.50 3.75	\$3.50 3.75	\$3.00 3.75	\$3.00 3.25	\$3.00 2.75	\$2.90 3.00	\$3.50 3.75	\$4.25 4.50
February.....	3.75	3.25 4.00	3.50 4.00	3.50 4.00	3.25 3.50	3.00 3.25	2.75 3.25	3.00 3.25	3.40 3.60	4.00 4.25
March.....	3.87½	3.75 4.12½	3.50 4.00	3.50 4.00	2.90 3.00	3.00 3.25	3.00 3.25	3.00 3.25	3.50 3.75	4.00 4.25
April.....	4.50 4.75	3.25 4.50	4.00 4.25	3.50 4.25	3.00 3.50	3.75 3.50	3.00 3.50	2.50 3.50	3.50 3.70	4.25 4.75
May.....	5.00	4.75 5.50	4.00 4.50	4.12½ 4.25	3.00 3.75	4.00 4.25	3.00 3.25	3.50 3.75	3.50 3.70	4.40 4.65
June.....	5.00	5.00 5.50	3.87½ 4.00	3.50 4.25	3.50 4.00	4.25 4.80	2.90 3.00	3.50 3.65	3.50 3.75	4.25 4.60
July.....	4.80	5.00 5.25	3.87½ 4.00	3.87½ 4.12½	3.25 3.75	3.90 4.00	2.90 3.15	3.50 3.80	4.00 4.50	4.25 4.50
August.....	3.50 3.75	3.00 3.75	3.87½ 4.00	3.87½ 4.00	3.25 3.50	3.70 3.75	2.90 3.25	3.50 3.75	4.00 4.10	3.75 4.25
September.....	3.90	3.50 3.75	3.62½ 3.75	3.50 3.75	3.00 3.50	3.45 3.50	2.75 3.00	3.50 3.75	4.10 4.20	3.50 4.00
October.....	3.00	3.50 3.75	3.25 3.75	3.25 3.50	3.25 3.50	2.75 3.30	3.50 3.00	3.75 3.75	3.75 4.00	4.00 4.50
November.....	3.50	3.25 3.50	4.00 4.50	3.00 3.50	3.00 3.50	2.75 3.25	3.30 3.00	3.75 3.50	3.75 4.00	4.00 4.10
December.....	4.00 4.25	3.00 3.75	3.50 3.75	3.00 3.50	3.00 3.50	2.90 3.00	2.90 3.25	3.80 3.50	3.75 4.00	4.50 4.80
Average.....	4.183	3.963	3.874	4.453	3.965	3.711	3.020	3.393	3.804	3.878

Months.	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909
January.....	\$4.00 4.25	\$4.00 4.25	\$4.00 4.45	\$4.75 4.50	\$4.20 4.50	\$4.00 4.50	\$4.40 4.60	\$4.25 4.50	\$4.50 4.00	\$5.00 5.35
February.....	4.00 4.25	4.00 4.25	4.40 4.60	4.50 4.50	4.20 4.50	4.00 4.35	4.40 4.60	4.60 4.90	4.20 5.10	5.15 5.65
March.....	4.00 4.25	4.00 4.25	4.25 4.50	3.50 4.30	4.20 4.50	4.15 4.50	4.50 4.75	4.75 4.90	4.65 4.85	5.20 5.35
April.....	4.25 3.90	4.25 4.00	4.50 4.25	4.30 4.10	4.50 4.60	4.50 4.50	4.75 4.40	4.90 4.90	5.15 4.90	5.35 5.25
May.....	4.25 4.00	4.25 4.10	4.50 5.60	4.50 4.50	4.80 4.50	4.75 5.40	4.65 4.75	5.15 4.75	5.35 5.50	5.60 5.40
June.....	4.25 4.50	4.25 4.50	5.85 5.85	4.75 4.80	4.65 4.75	5.75 5.45	5.00 4.65	5.10 5.50	5.80 5.80	6.12½ 5.65
July.....	4.25 4.50	4.50 4.75	5.25 5.75	4.70 4.90	4.80 5.00	4.90 5.20	4.50 4.75	4.90 5.50	5.60 5.75	5.75 6.25
August.....	4.00 4.25	4.40 4.75	5.50 5.75	4.60 4.75	4.50 4.65	4.50 4.65	4.40 4.60	4.75 4.60	4.75 5.00	5.75 6.15
September.....	4.35 4.65	4.50 4.85	4.50 5.00	4.30 4.50	4.25 4.60	4.10 4.50	4.40 4.65	4.25 4.65	4.50 4.75	5.25 5.75
October.....	4.00 4.25	4.25 4.50	4.75 5.00	4.40 4.50	4.00 4.50	4.00 4.40	4.00 4.25	4.50 4.75	4.60 4.80	5.75 5.50
November.....	4.00 4.30	4.00 4.40	4.50 4.85	4.20 4.40	4.40 4.30	4.00 4.50	4.25 5.00	4.75 5.00	4.50 4.80	5.50 6.40
December.....	4.40 4.75	4.25 4.35	4.00 5.00	4.20 4.40	4.10 4.65	4.00 4.50	4.30 4.50	4.40 4.65	4.40 4.75	5.35 5.70
Average.....	4.229	4.362	4.900	4.470	4.495	4.570	4.518	4.854	4.952	5.644

From Wholesale Prices in Canada, 1890 to 1909, inclusive, Special Report (Ottawa, 1910), p. 71

It is also shown in the same publication, page 70, the prices of western prime cattle off the cars at Winnipeg:

Wholesale prices, Canada, 1890 to 1909, animals and meats.

CATTLE, WESTERN, PRIME, OFF CARS, WINNIPEG, MANITOBA.

[Price, per hundredweight, on the first day of each month. Quotations from the Manitoba Free Press and Winnipeg Commercial.]

Months.	1890	1891	1892	1893	1894	1895	1896	1897	1898	1899
January.....	\$4.50	\$4.00	\$5.00	\$5.00	\$2.25	\$3.00	\$3.50	\$3.00	\$3.75	\$3.50
February.....	4.25	3.50	5.00	5.00	2.25	3.00	3.00	3.25	3.75	3.50
March.....	5.00	3.50	5.00	5.00	2.25	3.00	3.00	3.25	3.75	4.00
April.....	5.00	3.50	5.50	4.00	2.25	3.50	3.25	3.50	3.75	4.75
May.....	4.00	3.50	5.25	4.00	2.25	3.50	3.25	4.00	4.00	4.50
June.....	4.00	4.00	5.50	3.50	3.00	3.75	3.00	4.00	4.00	4.50
July.....	4.00	4.00	5.50	3.50	3.00	3.50	3.00	4.25	4.25	4.50
August.....	3.00	4.00	5.50	3.50	3.00	3.00	3.00	3.50	5.00	4.00
September.....	3.00	3.50	5.50	3.50	3.00	3.00	3.25	3.50	3.25	4.00
October.....	2.50	3.50	5.50	3.25	3.00	3.00	3.50	3.25	3.25	3.50
November.....	2.75	3.50	5.50	3.25	3.00	3.00	3.25	3.00	3.25	3.00
December.....	3.00	3.00	5.50	3.25	3.00	3.00	3.00	3.00	3.25	3.00
Average.....	3.750	3.625	5.354	3.895	2.687	3.187	3.166	3.456	3.770	3.895

Months.	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909
January.....	\$3.50	\$3.50	\$3.50	\$4.00	\$3.50	\$3.00	\$3.25	\$3.75	\$3.25	\$3.50
February.....	3.50	4.00	3.50	4.00	3.50	4.00	3.75	3.75	3.75	3.50
March.....	4.00	4.00	4.50	4.50	3.50	4.00	4.00	4.50	4.50	3.50
April.....	4.00	4.00	4.50	4.50	4.50	4.00	4.25	4.50	4.00	3.75
May.....	3.50	4.50	4.75	4.50	4.75	4.50	4.25	5.00	5.00	5.00
June.....	3.50	5.00	4.75	4.50	5.00	3.50	4.50	5.50	5.00	5.50
July.....	4.00	4.50	4.25	4.50	4.50	3.50	4.25	6.00	4.50	4.75
August.....	3.50	3.50	3.75	3.50	3.50	3.00	3.75	4.75	4.00	4.50
September.....	3.25	3.25	3.75	3.00	3.50	3.25	3.50	4.00	3.75	4.00
October.....	3.00	3.25	3.50	2.75	3.00	3.25	3.25	4.00	3.75	3.75
November.....	3.00	3.25	4.00	2.50	2.50	3.25	3.75	3.50	3.75	3.75
December.....	3.50	3.50	3.50	2.50	2.75	3.25	3.50	3.75	3.50	4.00
Average.....	3.520	3.854	4.020	3.729	3.708	3.541	3.833	4.416	4.062	4.135

From Wholesale Prices in Canada, 1890 to 1909, inclusive, Special Report (Ottawa, 1910), p. 70.

It is also shown in the same publication (page 69) the wholesale prices of dressed beef for the first market day of each month at Toronto, recited to have been furnished by the Harris Abattoir Co. (Ltd.) from the years 1903 to 1909. Price per hundredweight.

Wholesale prices, Canada, 1890 to 1899, animals and meats.

BEEF, DRESSED.

[Price per hundredweight at Toronto, Ontario, on the first market day of each month. Quotations furnished by the Harris Abattoir Co. (Ltd.), Toronto.]

Months.	1903	1904	1905	1906	1907	1908	1909
January.....	\$6.46	\$5.92	\$6.22	\$6.70	\$7.37	\$7.36	\$7.36
February.....	\$6.45	6.51	6.26	6.47	6.88	7.56	7.42
March.....	6.35	6.41	6.29	6.80	7.02	7.50	7.71
April.....	6.81	6.77	7.36	7.18	7.34	8.53	8.27
May.....	7.14	7.03	8.03	7.15	7.69	9.05	9.50
June.....	7.09	7.56	7.60	7.36	8.38	9.10	10.75
July.....	6.61	7.40	6.97	7.27	7.89	8.26	10.50
August.....	6.54	6.59	6.36	6.88	7.53	7.47	10.50
September.....	6.40	6.34	6.09	6.78	7.27	7.31	10.00
October.....	6.11	5.93	5.63	6.41	6.84	7.16	11.00
November.....	5.74	5.80	5.48	5.99	6.55	6.89	9.50
December.....	6.26	6.27	6.28	6.74	7.12	7.49	10.25
Average.....	6.500	6.589	6.522	6.770	7.268	7.807	9.365

From Wholesale Prices in Canada, 1890 to 1899, inclusive, Special Report (Ottawa, 1910), p. 69.

In explanation of the range of cattle prices the minister of labor, in the report referred to, makes the following statement at pages 26 and 27:

The animal and meats group is made up of cattle and cattle products, hogs and hog products, sheep and sheep products, and fowls and turkeys. It includes a total of 14 series of quotations. Combining all, it is shown that prices in 1909 were 48.6 per cent above the prices of the decade 1890-1899. The next highest year was 1907, when prices were 33.8 per cent above the 10-year period mentioned. The lowest year was 1896, when prices were 17.6 per cent below the average of the base decade. From 1897 to 1909, therefore, there was a rise of approximately 80 per cent in the price of meat products in Canada.

Contributing to this result, cattle and cattle products and hogs and hog products showed approximately the same variations as the list taken as a whole. The price of fowls and turkeys, however, during the last two years has been very rapidly upward, while sheep and mutton prices, though varying above the average for the base decade, have been less markedly upward, and since 1907 have been falling.

Bacon.—Bacon, which sold as high as 8 cents per pound in April, 1896, touched 18 cents in 1906 and 1909. The average yearly price, which was 10.6 cents in 1890, rose to 12 cents in 1893, fell to 8.9 cents in 1896, rose again to 12.1 cents in 1900, reached its highest point in 1906 with 16.2 cents, and fell to 15.4 cents in 1909. Compared with the decade, 1890-1899, the price of bacon was 46 per cent higher in 1909, compared with 1896, the lowest year, the price in 1908 was 71 per cent higher.

Beef and veal, dressed.—The record for these is complete only from 1903, since when there has been an almost continuous rise, amounting to 44 per cent in the case of the former and to 29 per cent in the case of the latter.

Cattle, western, prime.—Western cattle prices show a range from \$2.50 per hundredweight in November and December, 1903, to \$6 in July, 1907. The highest yearly average price shown is \$5.354 per hundredweight, in 1902; the next highest is \$4.625, in 1908. The lowest is \$2.687, in 1894. In 1909, western cattle prices were 12.4 per cent above the average for the base decade; in 1907, however, they were 20 per cent above the average, and in 1892, 45.5 per cent above.

Cattle, butchers' choice steers.—Prices of Toronto cattle have been less violent in their fluctuations than those of western cattle, though they have reached relatively higher levels. The highest point recorded was in 1909, in which year prices were 47.5 per cent above those of the decade, and over 80 per cent above those of 1896, the lowest year. The lowest quotation recorded is \$2.75 in October, 1896, and the highest, \$6.40, in June and November, 1909.

Again referring to the Tariff Board's report of reciprocity with Canada, page 132, the wholesale prices of dressed meats at Chicago, Toronto, and Montreal are given, but the board does not state the source of the information, neither does it explain what sort of beef carcasses constitute No. 1 and what sort constitute No. 2, and without that information we are unable to know what was represented in the figures given. The price is given as of February, 1911, after a material decline in meat prices in the United States.

I have examined the Toronto Globe, from which I find market quotations are taken by the Canadian Government departments, with the following result. It is found by reference to the edition of the Globe issued on May 16, 1911, that the prices of dressed beef in Toronto are quoted as follows:

	Per hundredweight.
Fore quarters.....	\$6.50-\$7.50
Hind quarters.....	11.50-12.50
Choice sides.....	9.00-10.00
Medium sides.....	8.00-9.00
Common.....	6.00-7.00

The same paper, the Toronto Globe, gives the following quotations on the same date for steers in the Toronto market: Export, choice, per hundredweight, \$5.80 to \$6.20; export, good, \$5.65 to \$5.75; butchers, choice, \$5.50 to \$5.80; butchers, medium, \$5.25 to \$5.40; butchers, common, \$4.75 to \$5.15 per hundredweight.

In the market report of the Toronto Globe of May 16, 1911, it is stated—

Swift & Co. bought 200 export cattle at \$5.75 to \$6 per 100 pounds. Morris & Co. bought for London 122 steers and heifers, average 1,275 pounds, at \$5.87.

The same paper on the same date gives the prices of prime steers in Buffalo, which is the nearest market to Toronto, at \$6.20 to \$6.30.

We may fairly assume that packers like Swift & Co. and Morris & Co., would not be going to Canada to buy export steers that they could obtain at their own establishments in Chicago unless they could buy them cheaper in Canada.

For the information of the committee, I submit several price lists and documents which show the prices of cattle and cost of production and otherwise which have a direct bearing upon the effect of the proposed free-listing of meat products upon the American cattle-growing and cattle-feeding industry, and answer the questions submitted to Mr. Lasater by Senator Stone.

The Chicago weekly beef-cattle prices showing the extreme ranges of prices and bulk of sales by weeks for 1910; also extreme prices of beef steers and top prices for native beef cattle, with averages of export shipments and prices and other data of like import, which is taken from the Yearbook of Figures, published annually by the Chicago Drovers Journal, and which will be found on pages 39, etc., of the January, 1911, issue:

WEEKLY BEEF CATTLE PRICES.

Extreme range of prices and bulk of sales of beef cattle at Chicago, by weeks, for 1910, with weekly average prices of good beef steers during the past three years, as compiled by the Chicago Farmers and Drovers Journal:

Week ending—	Extreme range.	Bulk of sales.	Average prices.		
			1910	1909	1908
Jan. 8.....	\$4.25-\$8.05	\$5.50-\$7.00	\$6.25	\$6.10	\$5.40
Jan. 15.....	4.15- 8.10	5.35- 6.65	6.25	5.95	5.45
Jan. 22.....	4.20- 8.40	5.35- 6.65	6.10	5.80	5.25
Jan. 29.....	4.00- 7.70	5.20- 6.60	5.85	6.00	5.25
Feb. 5.....	4.20- 7.65	5.25- 6.80	6.10	5.85	5.35
Feb. 12.....	4.30- 8.00	5.50- 7.00	6.25	5.90	5.35
Feb. 19.....	4.40- 7.90	5.60- 6.80	6.30	5.80	5.25
Feb. 26.....	4.60- 8.10	5.75- 7.10	6.40	6.15	5.40
Mar. 5.....	4.80- 8.25	5.80- 7.40	6.75	6.20	5.45
Mar. 12.....	5.10- 8.40	6.10- 7.70	6.90	6.25	5.55
Mar. 19.....	5.30- 8.65	6.50- 8.10	7.35	5.85	6.00
Mar. 26.....	5.70- 8.85	7.00- 8.35	7.70	5.85	6.00
Apr. 2.....	5.60- 8.75	6.75- 8.10	7.40	6.10	6.45
Apr. 9.....	5.50- 8.65	6.65- 8.10	7.50	6.10	6.45
Apr. 16.....	5.60- 8.65	6.60- 8.10	7.50	6.15	6.25
Apr. 23.....	5.70- 8.50	7.00- 8.10	7.60	6.10	6.50
Apr. 30.....	5.75- 8.50	7.00- 8.00	7.50	6.10	6.40
May 7.....	5.50- 8.35	6.75- 8.70	7.35	6.40	6.55
May 14.....	5.75- 8.70	7.00- 8.10	7.55	6.50	6.50
May 21.....	5.60- 8.70	7.10- 8.10	7.65	6.55	6.35
May 28.....	5.50- 8.75	6.70- 8.20	7.50	6.60	6.40
June 4.....	5.65- 8.55	6.75- 8.10	7.55	6.50	6.70
June 11.....	5.65- 8.75	7.00- 8.40	7.70	6.60	6.90
June 18.....	5.60- 8.75	6.90- 8.25	7.65	6.40	6.75
June 25.....	5.25- 8.85	6.75- 8.20	7.35	6.50	6.90
July 2.....	5.15- 8.50	6.40- 8.00	7.50	6.60	6.70
July 9.....	5.10- 8.60	6.50- 7.90	7.35	6.50	6.65
July 16.....	5.00- 8.60	6.25- 7.75	7.30	6.50	6.15
July 23.....	4.85- 8.55	6.10- 7.85	7.00	6.30	6.35
July 30.....	4.55- 8.35	5.60- 7.50	6.60	6.50	6.25
Aug. 6.....	4.60- 8.50	5.60- 7.60	6.70	6.65	6.00
Aug. 13.....	4.60- 8.50	5.70- 7.50	6.55	6.70	5.90
Aug. 20.....	4.60- 8.45	5.75- 7.80	6.85	6.80	6.05
Aug. 27.....	4.85- 8.50	6.25- 8.00	7.10	6.65	6.15
Sept. 3.....	4.90- 8.30	6.10- 7.85	7.00	6.70	6.15
Sept. 10.....	4.75- 8.50	6.00- 7.65	6.90	6.90	6.20
Sept. 17.....	4.80- 8.35	6.00- 7.75	6.70	6.75	5.80

HEARINGS ON THE TARIFF.

Week ending—	Extreme range.	Bulk of sales.	Average prices.		
			1910	1909	1908
Sept. 24.....	\$4.75-\$8.30	\$6.00-\$7.80	\$6.75	\$6.60	\$5.90
Oct. 1.....	4.60-8.20	5.65-7.40	6.45	6.60	5.85
Oct. 8.....	4.60-8.00	5.70-7.50	6.60	6.75	5.75
Oct. 15.....	4.60-8.00	5.60-7.35	6.60	6.65	5.75
Oct. 22.....	4.60-7.90	5.60-7.40	6.50	6.45	5.70
Oct. 29.....	4.50-7.90	5.50-7.40	6.45	6.55	5.80
Nov. 5.....	4.35-7.75	5.50-7.35	6.45	6.35	6.00
Nov. 12.....	4.40-7.60	5.40-7.10	6.20	6.45	6.00
Nov. 19.....	4.35-7.75	5.25-6.90	6.05	6.55	5.80
Nov. 26.....	4.40-7.40	5.25-6.90	6.10	6.45	6.00
Dec. 3.....	4.50-7.50	5.40-7.00	6.20	6.40	6.05
Dec. 10.....	4.40-7.35	5.20-6.50	5.90	6.45	6.00
Dec. 17.....	4.30-7.55	5.15-6.40	5.85	5.75	6.05
Dec. 24.....	4.50-7.25	5.40-6.60	6.00	6.00	5.95
Dec. 31.....	4.60-7.00	5.40-6.00	6.05	6.25	6.20

EXTREME PRICES BEEF STEERS.

The monthly range of prices (per 100 pounds) at Chicago for 1,200 to 1,800 pounds native beef cattle during 1910, with yearly prices, as compiled by the Chicago Farmers and Drovers Journal:

	Steers—		
	1,200 to 1,350 pounds (average).	1,350 to 1,500 pounds (average).	1,500 to 1,800 pounds (average).
Months:			
January.....	\$4.90-\$8.10	\$5.60-\$8.05	\$6.20-\$8.40
February.....	5.30-8.00	5.80-8.00	6.50-8.10
March.....	5.80-8.60	6.50-8.85	7.50-8.75
April.....	6.35-8.50	7.00-8.50	7.75-8.65
May.....	6.40-8.50	7.20-8.75	7.70-8.75
June.....	5.90-8.60	6.60-8.85	7.35-8.75
July.....	5.25-8.40	6.10-8.50	6.75-8.60
August.....	5.25-8.40	6.20-8.40	7.25-8.50
September.....	5.25-8.30	5.60-8.50	6.80-8.50
October.....	4.90-7.75	5.50-7.90	6.60-8.00
November.....	4.85-7.60	5.40-7.65	5.85-7.75
December.....	4.90-7.35	5.40-7.00	5.65-7.00
Years:			
Range 1910.....	4.85-8.60	5.40-8.85	5.65-8.75
Range 1909.....	4.90-9.25	5.60-9.25	6.20-9.50
Range 1908.....	4.00-8.20	4.75-8.40	5.25-8.40
Range 1907.....	3.95-7.50	4.65-7.50	5.30-8.00
Range 1906.....	3.90-7.65	4.50-7.90	4.75-7.45
Range 1905.....	3.00-6.70	3.70-6.85	4.40-6.80
Range 1904.....	3.35-7.35	3.80-7.60	4.40-7.65
Range 1903.....	3.35-6.80	3.75-6.85	4.10-6.75
Range 1902.....	3.60-9.00	4.00-9.00	4.25-9.00
Range 1901.....	3.60-7.65	4.30-8.00	4.80-9.00
Range 1900.....	3.90-6.20	4.30-7.50	4.70-7.50
Range 1899.....	4.00-7.25	4.30-8.25	4.60-8.25
Range 1898.....	3.80-5.90	3.90-6.15	4.10-6.25
Range 1897.....	3.35-5.00	3.65-6.00	4.00-6.00
Range 1896.....	2.90-5.85	3.20-6.50	3.40-6.25
Range 1895.....	2.90-6.25	3.20-6.40	3.60-6.60
Range 1894.....	2.90-6.40	3.10-6.40	3.50-6.00
Range 1893.....	2.90-5.80	3.10-6.05	4.00-6.75
Range 1892.....	2.85-5.85	3.25-6.35	3.75-7.00
Range 1891.....	2.70-6.20	3.00-6.50	4.00-7.15
Range 1890.....	2.75-5.10	3.25-5.50	3.75-6.40
Range 1889.....	2.60-4.70	2.85-5.40	3.40-6.10
Range 1888.....	2.75-6.40	3.30-6.75	4.00-7.00
Range 1887.....	2.60-6.25	3.20-6.25	3.60-6.50
Range 1886.....	3.00-5.80	3.50-6.10	4.25-6.50
Range 1885.....	3.50-6.10	3.90-6.00	4.75-6.80
Range 1884.....	4.10-7.00	4.50-7.25	5.35-8.00
Range 1883.....	4.10-7.00	4.80-7.12½	5.35-7.25
Range 1882.....	4.25-9.00	4.70-9.00	5.40-9.80
Range 1881.....	3.80-7.00	4.10-7.20	5.30-8.00
Range 1880.....	4.50-5.50	4.30-6.00	5.00-7.00
Range 1879.....	3.20-5.00	3.90-6.50	4.00-6.00
Range 1878.....	3.00-4.70	3.50-5.00	4.00-5.50

Seventy-three loads of fat "show" steers sold in the auction Thursday, December 1, 1910, at \$6.75 to \$13.50, only 1 load above \$9.15. The general average price was \$7.77 per 100 pounds, against the record average price of \$11.44 in 1909 for 52 loads. In 1908, 49 loads of fat steers sold in the auction at an average of \$9.13, the previous highest average on record.

EXTREME PRICES BEEF STEERS.

Monthly range of prices (per 100 pounds) at Chicago for 900 to 1,200 pound native beef cattle and distillery-fed steers during 1910, with yearly comparisons for 17 years, as compiled by the Chicago Farmers and Drovers Journal:

	Steers—		
	1,050 to 1,200 pounds average.	900 to 1,050 pounds average.	Distillery fed.
Months:			
January.....	\$4.00-\$7.25	\$4.00-\$7.50	\$5.00-\$8.15
February.....	4.05-7.00	4.38-7.00	5.10-6.10
March.....	5.50-8.45	5.10-8.30	5.80-8.25
April.....	6.00-8.20	5.60-8.10	6.40-8.10
May.....	6.00-8.15	5.60-8.00	6.90-8.10
June.....	5.25-8.50	5.00-8.40	6.40-8.50
July.....	4.85-8.30	4.60-8.00	6.50-8.55
August.....	4.75-8.50	4.60-7.85	7.50-8.10
September.....	4.90-8.10	4.60-7.75	7.00-7.65
October.....	4.65-7.90	4.40-8.00	6.10-6.75
November.....	4.60-7.60	4.35-7.75	5.60-5.80
December.....	4.50-7.55	4.35-7.50	5.00-6.00
Years:			
Range 1910.....	4.50-8.50	4.00-8.40	5.00-8.55
Range 1909.....	4.40-9.50	3.80-9.00	4.60-8.10
Range 1908.....	3.50-8.40	3.15-7.85	4.15-8.10
Range 1907.....	3.40-7.00	3.00-6.90	4.15-7.25
Range 1906.....	3.50-7.15	3.15-6.80	3.85-6.40
Range 1905.....	2.30-7.00	2.60-6.50	3.50-6.50
Range 1904.....	2.60-7.25	2.40-6.65	3.65-6.30
Range 1903.....	3.00-6.00	2.90-5.70	3.50-5.70
Range 1902.....	3.15-8.60	2.90-8.15	3.80-8.20
Range 1901.....	3.30-7.50	3.30-6.80	3.90-6.25
Range 1900.....	3.50-6.00	3.25-6.10	3.50-5.65
Range 1899.....	3.85-6.60	3.75-6.25	3.80-6.25
Range 1898.....	3.70-5.85	3.60-5.60	3.75-5.50
Range 1897.....	3.35-5.60	3.25-5.25	3.70-4.90
Range 1896.....	2.90-5.75	2.90-4.90	3.50-4.40
Range 1895.....	2.75-6.20	2.70-5.85	4.25-5.75
Range 1894.....	3.70-6.00	2.70-5.50	3.45-4.75

TOP PRICES NATIVE BEEF CATTLE.

Monthly top prices (per 100 pounds) for native beef cattle at Chicago for 7 years, as compiled by the Chicago Farmers and Drovers Journal:

Months.	1910	1909	1908	1907	1906	1905	1904
January.....	\$8.40	\$7.50	\$6.40	\$7.30	\$6.50	\$6.35	\$5.90
February.....	8.10	¹ 7.15	¹ 6.25	7.25	6.40	6.45	6.00
March.....	² 8.85	7.40	7.50	6.90	6.35	6.35	¹ 5.80
April.....	8.65	¹ 7.15	7.40	6.75	6.35	² 7.00	¹ 5.80
May.....	8.75	7.30	7.40	6.50	6.20	6.85	5.90
June.....	² 8.85	² 7.50	² 8.40	7.10	¹ 6.10	6.35	6.70
July.....	8.60	7.65	8.25	7.50	6.50	6.25	6.65
August.....	8.50	8.00	7.90	² 7.60	6.85	6.60	6.40
September.....	8.50	8.50	7.85	7.35	6.95	6.60	6.55
October.....	8.00	9.10	7.65	7.45	7.30	6.40	7.00
November.....	7.75	9.25	8.00	7.25	7.40	6.75	7.30
December.....	¹ 7.55	² 9.50	8.00	¹ 6.35	² 7.90	² 7.00	² 7.65
Top.....	8.85	9.50	8.40	7.60	7.90	7.00	7.65

¹ Lowest months.

² Highest months.

International "show" cattle sold in the auction ring not included in above prices.
In 1870 best cattle sold on the open market at \$10 and in 1867 several loads sold at \$10-\$10.25.

HEARINGS ON THE TARIFF.

AVERAGE PRICES NATIVE CATTLE.

Monthly average prices of native beef cattle at Chicago during 1910, with the yearly average for 18 years, as compiled by the Chicago Farmers and Drovers Journal:

	1,500 to 1,900 pounds.	1,350 to 1,500 pounds.	1,200 to 1,350 pounds.	1,050 to 1,200 pounds.	900 to 1,050 pounds.	900 to 1,900 pounds.
Months:						
January.....	\$7.40	\$6.75	\$6.40	\$5.85	\$5.20	\$6.20
February.....	7.40	7.00	6.75	6.25	5.65	6.25
March.....	8.20	7.90	7.55	7.20	6.60	7.25
April.....	8.25	8.00	7.65	7.25	6.85	7.55
May.....	8.10	7.85	7.50	7.15	6.70	7.50
June.....	8.30	7.90	7.40	7.00	6.50	7.50
July.....	8.10	7.70	7.20	6.50	6.00	7.10
August.....	7.95	7.45	6.90	6.10	5.65	6.85
September.....	7.90	7.55	7.10	6.10	5.60	6.80
October.....	7.40	7.20	6.80	6.10	5.50	6.60
November.....	6.75	6.55	6.15	5.65	5.35	6.20
December.....	6.50	6.30	6.00	5.55	5.25	6.00
Years:						
Average 1910.....	7.70	7.35	6.95	6.40	5.90	6.80
Average 1909.....	7.30	6.90	6.30	5.90	5.40	6.25
Average 1908.....	6.95	6.60	6.00	5.55	5.25	6.10
Average 1907.....	6.50	6.20	5.80	5.40	4.55	5.80
Average 1906.....	6.20	5.85	5.30	5.05	4.55	5.30
Average 1905.....	5.85	5.50	5.05	4.55	4.15	5.05
Average 1904.....	5.70	5.45	4.95	4.45	4.10	4.95
Average 1903.....	5.20	5.05	4.80	4.45	4.15	4.80
Average 1902.....	7.25	6.80	6.25	5.65	5.05	6.20
Average 1901.....	5.95	5.65	5.25	4.85	4.50	5.25
Average 1900.....	5.55	5.40	5.15	4.90	4.70	5.15
Average 1899.....	5.75	5.55	5.25	4.95	4.70	5.30
Average 1898.....	5.05	4.85	4.65	4.45	4.30	4.65
Average 1897.....	4.95	4.70	4.45	4.25	4.10	4.50
Average 1896.....	4.40	4.30	4.05	3.90	3.70	4.05
Average 1895.....	5.20	4.85	4.40	4.10	3.95	4.50
Average 1894.....	4.75	4.55	4.20	3.95	3.75	4.25
Average 1893.....	5.35	4.75	4.40	4.10	3.85	4.45

PRICES 1,200 TO 1,500 POUND STEERS.

Monthly average prices (per 100 pounds) for 1,200 to 1,500 pound native beef cattle at Chicago for 7 years, as compiled by the Chicago Farmers and Drovers Journal:

Months.	1910	1909	1908	1907	1906	1905	1904
January.....	\$6.60	\$6.30	\$5.50	\$5.80	\$5.40	\$4.85	\$4.90
February.....	6.85	6.10	5.50	5.60	5.40	5.05	4.75
March.....	7.70	6.35	6.15	5.75	5.50	5.25	4.85
April.....	7.85	6.20	6.65	5.85	5.35	5.95	4.90
May.....	7.70	6.60	6.80	5.80	5.40	5.70	5.05
June.....	7.60	6.65	7.05	6.40	5.35	5.90	5.95
July.....	7.40	6.60	6.75	6.70	5.60	5.15	5.60
August.....	7.15	6.75	6.40	6.55	5.75	5.25	5.20
September.....	7.25	6.95	6.40	6.50	5.75	5.40	5.35
October.....	7.00	7.00	5.90	6.30	5.90	5.05	5.60
November.....	6.35	6.90	6.30	5.60	5.55	4.95	5.05
December.....	6.15	6.85	6.40	5.30	5.80	5.00	4.75
Yearly average.....	7.15	6.60	6.30	6.00	5.60	5.30	5.10

EXPORT SHIPMENTS AND PRICES.

The following table, compiled by the Chicago Farmers and Drovers Journal, shows the monthly shipments of export cattle from Chicago during 1910, with prices paid per 100 pounds live weight in Chicago (for 1910) and prices paid in Liverpool and London per pound dressed weight, sinking offal, during 1910, with comparative yearly figures:

	Shipped from Chicago.	Chicago prices.	British prices.
Month:			<i>Cents.</i>
January.....	14,313	\$5.60-56.75	11-15 ¹
February.....	10,886	5.85-7.30	11-15
March.....	8,292	6.60-7.90	12-15 ¹
April.....	363	6.90-7.85	14-15 ¹
May.....	81	6.80-7.65	14-16 ¹
June.....	508	6.70-7.70	14-16
July.....	934	6.60-7.60	14-15 ¹
August.....	2,372	6.40-7.15	14-15 ¹
September.....	1,925	6.30-7.80	12-15 ¹
October.....	3,400	6.40-7.70	12-15
November.....	7,678	5.80-7.00	12-14 ¹
December.....	11,930	5.40-6.60	12-14 ¹
Years:			
1910.....	59,582	5.40-7.90	11-16 ¹
1909.....	130,468	5.15-7.75	9-16
1908.....	187,306	4.70-7.60	9-15 ¹
1907.....	266,131	4.70-6.85	9-12 ¹
1906.....	301,121	4.60-7.15	9-13 ¹
1905.....	321,301	4.10-6.65	8-12 ¹
1904.....	298,769	4.20-6.60	9-14 ¹
1903.....	269,227	4.35-5.80	8-14 ¹
1902.....	134,811	4.75-7.60	10-16 ¹
1901.....	250,779	4.80-7.25	11-16 ¹
1900.....	242,214	4.60-6.00	11-14 ¹
1899.....	196,675	4.75-6.80	11-15 ¹
1898.....	216,350	4.40-5.60	9-12 ¹
1897.....	253,153	4.00-5.80	9-12 ¹
1896.....	243,302	3.00-5.25	9-12 ¹
1895.....	158,364	3.80-5.80	9-13 ¹
1894.....	250,000	3.75-6.25	8-12 ¹
1893.....	161,868	4.00-5.45	10-14
1892.....	250,432	3.90-5.60	10-14 ¹
1891.....	186,550	3.70-6.25	11-13 ¹
1890.....	339,535	3.75-5.75	8-13

AVERAGE PRICES NATIVE CATTLE.

Monthly and yearly average prices (per 100 pounds) for 900 to 1,900 pound native beef cattle at Chicago for five years past:

Months.	1910	1909	1908	1907	1906	Month- ly av- erage.
January.....	\$6.20	\$6.00	\$5.30	\$5.60	\$5.00	\$5.60
February.....	6.35	5.85	5.40	5.55	5.05	5.45
March.....	7.35	6.10	6.00	5.55	5.15	6.05
April.....	¹ 7.55	6.10	6.50	5.65	5.05	6.15
May.....	7.60	6.45	6.60	5.65	5.20	6.30
June.....	7.60	6.45	² 6.90	6.20	5.20	² 6.45
July.....	7.10	6.45	6.45	² 6.40	5.40	6.35
August.....	6.85	6.70	6.00	6.25	5.45	6.25
September.....	6.80	² 6.75	5.95	6.10	5.80	6.20
October.....	6.60	6.60	5.70	6.10	² 5.60	6.10
November.....	6.20	6.45	5.90	5.40	² 5.60	5.90
December.....	¹ 6.00	6.20	6.00	¹ 5.10	5.50	5.75
Yearly average.....	6.80	6.35	6.10	5.80	5.30	6.05

¹ Lowest months.² Highest months.

TOP NATIVE-BRED CATTLE.

Weekly top native beef cattle prices (per 100 pounds) at Chicago for six years past, as compiled by the Chicago Farmers and Drovers Journal:

Week ending—	1910	1909	1908	1907	1906	1905
Jan. 8.....	\$8.05	\$7.50	\$6.35	\$7.15	\$6.35	\$6.35
Jan. 15.....	8.10	7.15	6.30	7.30	6.50	6.25
Jan. 22.....	8.40	7.00	6.40	6.90	6.25	6.30
Jan. 29.....	7.70	7.15	6.25	6.90	6.20	6.25
Feb. 5.....	7.65	7.15	6.19	7.25	6.85	6.45
Feb. 12.....	8.00	7.10	¹ 6.00	6.90	6.50	6.25
Feb. 19.....	7.90	7.00	6.15	6.75	6.25	6.25
Feb. 26.....	8.10	7.00	¹ 6.00	6.85	6.40	6.00
Mar. 5.....	8.25	7.25	6.25	6.85	6.35	6.25
Mar. 12.....	8.40	7.40	6.35	6.75	6.35	6.25
Mar. 19.....	8.65	7.35	6.65	6.90	6.30	6.15
Mar. 26.....	² 8.85	7.15	7.35	6.60	6.25	6.30
Apr. 2.....	8.75	7.35	7.50	6.70	6.85	6.75
Apr. 9.....	8.65	7.10	7.25	6.75	6.25	² 7.00
Apr. 16.....	8.65	7.15	7.20	6.70	6.15	6.90
Apr. 23.....	8.50	¹ 6.95	7.25	6.60	6.15	6.85
Apr. 30.....	8.50	7.00	7.25	6.25	¹ 6.00	6.80
May 7.....	8.35	7.25	7.30	6.50	6.20	6.85
May 14.....	8.70	7.30	7.40	6.80	6.15	6.65
May 21.....	8.70	7.25	7.35	6.40	¹ 6.00	6.40
May 28.....	8.75	7.25	7.30	6.50	¹ 6.00	6.35
June 4.....	8.65	7.25	7.75	6.75	¹ 6.00	6.35
June 11.....	8.75	7.25	7.85	6.90	6.05	6.35
June 18.....	8.75	7.25	² 8.40	7.00	6.05	6.00
June 25.....	² 8.85	7.25	² 8.40	7.10	6.10	6.25
July 2.....	8.50	7.50	² 8.40	7.25	6.10	6.25
July 9.....	8.60	7.40	8.25	7.30	6.30	6.10
July 16.....	8.60	7.50	8.00	7.35	6.40	¹ 5.80
July 23.....	8.55	7.65	8.15	7.35	6.50	5.90
July 30.....	8.35	7.45	7.85	7.50	7.40	5.90
Aug. 6.....	8.60	7.50	7.90	² 7.60	6.60	6.00
Aug. 13.....	8.50	7.55	7.75	7.45	6.75	6.10
Aug. 20.....	8.45	7.80	7.60	7.35	6.65	6.30
Aug. 27.....	8.50	7.85	7.80	7.35	6.85	6.50
Sept. 3.....	8.30	8.05	7.85	7.25	6.80	6.50
Sept. 10.....	8.50	8.30	7.70	7.35	6.95	² 6.40
Sept. 17.....	8.35	8.50	7.70	7.15	6.95	6.40
Sept. 24.....	8.30	8.40	7.75	7.25	6.90	6.15
Oct. 1.....	8.20	8.50	7.75	7.30	7.00	6.35
Oct. 8.....	8.00	8.80	7.50	7.35	7.30	6.35
Oct. 15.....	8.00	8.90	7.60	7.45	7.30	6.40
Oct. 22.....	7.90	9.00	7.60	7.35	7.30	6.40
Oct. 29.....	7.90	9.10	7.40	7.00	7.25	6.40
Nov. 5.....	7.75	9.10	7.50	7.25	7.25	6.40
Nov. 12.....	7.60	9.25	7.75	6.70	7.40	6.55
Nov. 19.....	7.75	9.25	7.75	6.65	7.40	6.60
Nov. 26.....	7.40	9.20	8.00	6.50	7.30	6.75
Dec. 3.....	7.50	² 9.50	8.00	6.35	7.45	² 7.00
Dec. 10.....	7.85	9.25	8.00	6.35	² 7.90	6.85
Dec. 17.....	7.55	9.00	7.90	¹ 6.15	7.10	6.65
Dec. 24.....	7.25	8.75	7.75	6.30	6.80	6.00
Dec. 31.....	¹ 7.00	8.50	7.50	¹ 6.15	7.20	6.25
Low week.....	7.25	6.95	6.00	6.15	6.00	5.80
High week.....	8.85	9.50	8.40	7.60	7.90	7.00

¹ Lowest weeks.² Highest weeks.

NATIVE COWS, HEIFERS, CANNERS.

Monthly prices (per 100 pounds) at Chicago for fat cows, heifers, and cannery during 1910, with yearly comparisons for 18 years, as compiled by the Chicago Farmers and Drovers Journal:

	Fat cows and heifers.	Bulk of sales.	Canning cows.	Bulk of sales.
January.....	\$3.10-\$6.50	\$3.80-\$4.65	\$2.00-\$3.10	\$2.65-\$2.90
February.....	3.25-7.10	4.15-5.00	2.15-3.60	2.95-3.25
March.....	3.65-7.85	4.85-5.80	2.75-4.00	3.30-3.70
April.....	4.00-8.00	5.45-6.35	2.85-4.25	3.35-3.90
May.....	4.00-7.45	5.05-6.00	2.75-4.20	3.30-3.75
June.....	3.85-7.75	4.60-5.65	2.60-4.15	3.15-3.65
July.....	3.25-7.30	4.20-5.05	2.00-3.75	2.80-3.35
August.....	3.25-7.25	3.80-4.60	2.00-3.25	2.60-3.00
September.....	3.30-7.25	3.60-4.35	2.25-3.25	2.65-3.05
October.....	3.05-7.25	3.50-4.35	2.25-3.30	2.60-3.10
November.....	3.10-6.50	3.50-4.25	2.10-3.25	2.65-3.10
December.....	3.00-6.75	3.45-4.45	2.15-3.30	2.65-3.10
Years:				
1910.....	3.00-8.00	3.85-5.35	2.00-4.25	2.80-3.35
1909.....	2.90-7.50	3.60-5.00	1.50-3.50	2.45-3.00
1908.....	2.55-7.50	3.30-5.00	1.25-3.40	2.10-2.90
1907.....	2.35-6.25	3.15-4.40	1.00-2.85	1.85-2.60
1906.....	2.40-5.85	2.65-4.50	.75-3.05	1.50-2.70
1905.....	2.25-6.80	2.80-4.25	.75-2.00	1.75-2.25
1904.....	2.00-7.50	2.75-4.00	.75-2.75	1.50-2.15
1903.....	2.50-5.50	3.50-4.50	1.00-2.75	1.60-2.50
1902.....	3.35-8.25	3.50-6.00	1.00-3.25	1.75-3.00
1901.....	3.20-8.00	3.40-4.75	1.00-2.80	1.70-2.75
1900.....	3.20-6.00	.....	1.25-3.25	.....
1899.....	3.50-6.85	.....	2.00-3.25	.....
1898.....	3.20-5.40	.....	1.45-3.60	.....
1897.....	3.00-5.40	.....	1.00-2.70	.....
1896.....	1.90-4.10	.....	.75-5.00	.....
1895.....	1.75-5.15	.....	.75-4.40	.....
1894.....	1.30-4.10	.....	.75-4.40	.....
1893.....	1.90-4.90	.....	.65-5.00	.....

SALES OF BULLS AND CALVES.

Monthly prices (per 100 pounds) at Chicago for bulls and calves during 1910, with yearly comparisons, as compiled by the Farmers and Drovers Journal:

	Native bulls.	Bulk of sales.	Native calves.	Bulk of sales.
January.....	\$2.85-\$5.50	\$3.65-\$4.50	\$2.50-\$10.00	\$7.50-\$9.50
February.....	3.00-5.75	3.85-5.00	3.00-10.00	7.75-9.50
March.....	3.35-6.75	4.50-5.50	3.25-10.25	8.25-9.75
April.....	3.40-7.25	4.50-5.60	3.00-9.25	7.25-8.50
May.....	3.50-6.60	4.65-6.00	3.75-8.50	6.75-8.00
June.....	3.00-7.00	4.00-5.25	3.50-9.25	7.25-8.50
July.....	2.75-6.00	3.50-4.40	3.00-9.00	6.75-8.50
August.....	2.75-5.75	3.35-4.25	3.00-9.40	6.75-8.75
September.....	3.00-5.90	3.50-4.25	3.00-10.15	7.50-9.50
October.....	3.00-6.00	3.60-4.10	3.00-10.25	7.50-9.75
November.....	3.00-6.50	3.70-4.40	3.00-10.25	7.75-9.75
December.....	3.00-6.25	3.80-4.50	3.00-9.75	7.50-9.50
Years:				
1910.....	2.75-7.25	3.75-5.30	2.50-10.25	7.00-9.50
1909.....	2.25-5.85	3.50-4.40	2.50-10.00	5.75-8.50
1908.....	1.65-6.50	3.25-4.40	1.75-9.00	5.75-7.25
1907.....	1.50-5.50	3.10-4.15	1.75-9.00	5.25-7.25
1906.....	1.50-5.00	2.50-4.15	2.00-8.75	5.25-7.50
1905.....	1.50-5.25	2.60-3.50	1.50-8.50	5.00-7.00
1904.....	1.40-5.00	2.40-3.50	1.50-7.65	4.75-6.25

HEARINGS ON THE TARIFF.

AVERAGE PRICES NATIVE CALVES.

Monthly average prices (per 100 pounds) for native calves at Chicago for seven years:

Months.	1910	1909	1908	1907	1906	1905	1904
January.....	\$8.60	\$7.60	\$6.75	\$7.00	\$7.00	\$6.15	\$5.85
February.....	8.65	8.85	6.60	6.50	6.40	6.50	6.35
March.....	9.00	7.00	6.20	6.60	6.25	5.70	5.65
April.....	7.85	6.30	5.50	6.00	5.60	5.10	4.60
May.....	7.35	6.35	5.60	6.35	5.65	5.25	4.60
June.....	7.85	6.60	5.80	6.15	5.80	5.85	4.90
July.....	7.60	7.00	6.00	6.40	5.60	5.75	5.75
August.....	7.75	7.50	6.75	6.55	6.00	5.90	5.60
September.....	8.50	7.60	7.00	6.50	6.75	6.00	5.90
October.....	8.65	8.10	7.25	6.00	6.50	6.00	6.10
November.....	8.75	7.40	6.50	6.25	6.25	6.00	6.00
December.....	8.50	8.25	7.40	6.00	7.00	6.60	6.00
Yearly average.....	8.10	7.10	6.50	6.40	6.25	5.75	5.60

¹ Highest months.

² Lowest months.

AVERAGE PRICES FAT COWS AND HEIFERS.

Monthly average prices (per 100 pounds) for fat cows and heifers at Chicago for seven years, as compiled by the Chicago Farmers and Drovers Journal:

Months.	1910	1909	1908	1907	1906	1905	1904
January.....	\$4.25	\$4.10	\$3.70	\$3.80	\$3.50	\$3.35	\$3.65
February.....	4.55	4.25	3.80	3.75	3.70	3.45	3.70
March.....	5.30	4.35	4.15	3.90	3.85	3.65	3.70
April.....	5.90	4.65	4.70	4.00	3.85	4.10	3.85
May.....	5.55	5.00	4.90	3.95	3.90	4.10	4.00
June.....	5.15	4.60	4.75	4.20	3.65	3.70	4.30
July.....	4.65	4.40	4.15	4.15	3.45	3.50	4.25
August.....	4.20	4.10	3.90	3.80	3.50	3.40	3.80
September.....	4.00	3.90	3.75	3.70	3.55	3.35	3.35
October.....	3.95	3.85	3.65	3.50	3.65	3.30	3.10
November.....	3.85	4.00	3.50	3.35	3.75	3.50	2.90
December.....	3.90	4.00	3.70	3.30	3.70	3.60	2.75
Yearly average.....	4.60	4.25	4.10	3.85	3.70	3.65	3.55

¹ Highest months.

² Lowest months.

AVERAGE PRICES CANNERS AND CUTTERS.

Monthly average prices for native canners and cutters (cows) at Chicago for seven years:

Months.	1910	1909	1908	1907	1906	1905	1904
January.....	\$2.75	\$2.50	\$2.20	\$2.10	\$2.15	\$1.70	\$2.10
February.....	3.10	2.65	2.40	2.15	2.15	1.90	2.25
March.....	3.50	2.70	2.60	2.35	2.30	2.05	2.30
April.....	3.65	2.85	2.70	2.45	2.45	2.25	2.30
May.....	3.50	3.00	2.80	2.40	2.40	2.25	2.15
June.....	3.40	2.85	2.70	2.25	2.15	2.00	2.10
July.....	3.10	2.75	2.50	2.20	1.85	1.80	2.00
August.....	2.80	2.65	2.50	2.05	1.75	1.70	1.75
September.....	2.85	2.65	2.40	2.00	1.70	1.90	1.60
October.....	2.80	2.65	2.35	1.95	1.80	1.90	1.55
November.....	2.85	2.70	2.30	1.85	2.05	1.85	1.50
December.....	2.85	2.75	2.35	1.90	1.90	1.90	1.40
Yearly average.....	3.10	2.75	2.50	2.15	2.05	1.90	1.85

¹ Lowest months.

² Highest months.

STOCKER AND FEEDER PRICES.

The following table gives the extreme range of prices at Chicago for "stocker and feeder" cattle during 1910, with average prices for undermentioned years:

Months.	Extreme range 1910.	Average prices.				
		1910	1909	1908	1907	1906
January.....	\$2.90-\$5.80	\$4.65	\$4.55	\$3.85	\$4.10	\$3.80
February.....	3.00-6.00	4.85	4.70	4.20	4.25	3.90
March.....	3.25-7.00	5.50	4.60	4.35	4.45	4.00
April.....	3.50-7.10	5.60	4.80	4.80	4.60	4.00
May.....	4.25-6.65	5.50	4.85	4.60	4.55	4.15
June.....	3.00-6.50	4.85	4.75	4.40	4.50	3.90
July.....	3.00-6.00	4.45	4.50	4.15	4.20	3.65
August.....	3.15-6.15	4.50	4.30	4.10	4.00	3.75
September.....	3.15-6.00	4.50	4.35	3.90	4.05	3.90
October.....	3.00-6.00	4.70	4.30	3.95	3.85	3.75
November.....	3.00-5.85	4.60	4.25	4.00	3.80	3.70
December.....	3.00-5.90	4.70	4.40	4.20	3.75	3.80
Year.....	2.90-7.10	4.85	4.50	4.25	4.20	3.85

¹ Highest months.² Lowest months.

FEEDING-CATTLE SHIPMENTS.

Following are shipments of feeding cattle and calves from Chicago in 1910, as compared with 1909:

Months.	1909	1910	Increase.	Decrease.
January.....	27,387	19,871	.....	7,516
February.....	17,048	17,257	209	.....
March.....	24,671	26,338	1,667	.....
April.....	17,306	14,920	.....	2,386
May.....	10,856	14,672	3,816	.....
June.....	10,676	22,529	11,853	.....
July.....	13,428	26,313	12,885	.....
August.....	24,951	48,247	23,296	.....
September.....	41,238	59,151	17,913	.....
October.....	46,635	62,696	16,061	.....
November.....	38,136	52,296	14,160	.....
December.....	40,704	42,000	1,296	.....
Total.....	313,036	406,290	93,254	.....

¹ Estimated.

STOCKER AND FEEDER MOVEMENT.

Following are given shipments of stocker and feeder cattle from five undermentioned markets the first eleven months of 1909 and 1910:

Markets.	1909	1910	Increase.	Decrease.	Per cent.
Chicago.....	272,333	364,290	91,958	.....	¹ 33.8
Kansas City.....	652,436	599,488	.....	52,998	8.1
Omaha.....	351,890	401,534	49,644	.....	¹ 14.1
St. Joseph.....	73,533	54,954	.....	18,579	25.3
Sioux City.....	183,077	166,947	.....	16,130	8.8
Eleven months.....	1,593,268	1,587,163	53,895	.....	¹ 3.5

¹ Increase.

WESTERN RANGE RUN AND PRICES.

Weekly receipts of Western range cattle during the 1910 season, together with extreme prices for steers, including feeders, and tops for the same periods in 1909, 1908, and 1907, as compiled by the Chicago Farmers and Drovers Journal:

Week ending—	Receipts.	Extreme prices, 1910.	Top prices.		
			1909	1908	1907
June 25.....	400				
July 2.....	500	\$5.65			
July 9.....	400	6.20			
July 16.....	300	6.50	\$5.60	\$6.25	
July 23.....	4,000	\$4.50-6.10	5.40	5.50	
July 30.....	4,500	4.75-6.20	6.45	6.30	
Aug. 6.....	15,100	4.25-6.70	6.00	6.40	\$6.10
Aug. 13.....	15,000	4.30-7.25	6.35	5.75	6.75
Aug. 20.....	13,500	4.00-7.10	6.25	5.75	6.00
Aug. 27.....	18,000	4.25-7.15	6.60	6.50	6.25
Sept. 3.....	14,700	4.15-7.40	6.50	6.10	6.00
Sept. 10.....	14,500	4.30-7.35	6.40	6.40	6.25
Sept. 17.....	24,000	4.00-7.00	7.00	6.00	6.40
Sept. 24.....	25,000	4.15-7.00	7.00	6.25	6.00
Oct. 1.....	22,000	4.25-6.25	7.15	5.55	6.15
Oct. 8.....	25,000	4.25-7.10	7.50	5.70	5.90
Oct. 15.....	31,000	4.35-6.75	7.50	6.50	6.05
Oct. 22.....	23,000	4.35-7.00	7.50	6.00	6.00
Oct. 29.....	22,500	4.40-6.65	7.60	5.60	5.40
Nov. 5.....	13,000	4.40-6.25	7.50	6.60	5.40
Nov. 12.....	8,000	4.25-6.00	7.50	6.25	5.00
Nov. 19.....	17,500	4.25-6.15	7.35	6.25	5.50
Nov. 26.....	3,700	4.40-6.10	6.40	6.00	5.15
Dec. 3.....	1,200	4.50-5.80	5.25	5.75	4.50
Dec. 10.....	1,500	4.50-5.50	6.60	5.45	5.10
Dec. 17.....	700	4.90-5.85	5.35	5.95	4.25
Dec. 24.....	600	4.25-5.00	5.70		
Dec. 31.....			5.60		

RANGE RECEIPTS BY SEASONS.

The following figures, taken from files of the Farmers and Drovers Journal, show total receipts up to dates mentioned during the past four years:

Dates.	1910	1909	1908	1907
Aug. 6.....	25,200	7,000	32,300	3,200
Aug. 13.....	40,200	16,000	43,200	11,400
Aug. 20.....	53,700	24,800	61,200	20,400
Aug. 27.....	71,700	37,700	86,200	30,100
Sept. 3.....	86,400	51,700	106,200	52,100
Sept. 10.....	100,900	77,700	122,200	74,100
Sept. 17.....	124,900	105,700	147,000	107,100
Sept. 24.....	149,900	137,200	167,500	131,100
Oct. 1.....	171,900	164,700	186,500	162,600
Oct. 8.....	196,900	186,200	207,500	189,600
Oct. 15.....	227,900	212,700	221,500	225,600
Oct. 22.....	251,000	243,700	247,000	267,100
Oct. 29.....	273,500	264,900	259,000	301,000
Nov. 5.....	286,500	291,400	268,000	321,000
Nov. 12.....	294,500	309,400	276,000	342,000
Nov. 19.....	312,000	325,400	283,300	354,000
Nov. 26.....	315,700	331,800	288,300	366,500
Dec. 3.....	316,900	336,300	289,600	370,000
Dec. 10.....	318,400	337,300	290,600	372,400
Dec. 17.....	319,100	340,300	291,600	373,600
Dec. 24.....	319,700	341,500	291,800	375,000
Dec. 31.....		342,100		

Also the range of prices of cattle in the Annual Report of the Union Stock Yards of Chicago for 1909, page 56:

Range of prices for cattle, monthly, for year 1909.

1909	Native steers, 1,500-1,800 pounds.	Native steers, 1,200-1,500 pounds.	Poor to best cows and heifers.	Native stockers and feeders.	Texas and Western steers.
January	\$6.25-\$7.50	\$5.15-\$7.40	\$2.90-\$6.65	\$2.50-\$5.75	\$5.20-\$6.00
February	6.20-7.15	5.35-7.05	3.00-6.25	2.75-5.60	4.75-6.10
March	6.50-7.40	5.50-7.30	3.05-6.50	2.85-5.75	4.60-5.80
April	6.40-7.15	5.55-7.00	3.15-6.50	2.85-5.85	5.50-5.60
May	6.60-7.30	6.00-7.25	3.20-7.05	3.00-5.75	5.60-6.55
June	6.55-7.25	5.75-7.25	3.15-7.10	3.00-5.60	5.60-6.40
July	6.50-7.45	5.40-7.25	3.10-7.50	2.60-5.25	3.85-6.45
August	6.80-8.00	5.25-5.75	3.00-7.15	2.50-5.20	4.15-6.60
September	7.20-8.50	5.15-8.50	3.00-7.00	2.60-5.75	4.10-7.15
October	7.65-9.10	5.10-9.00	3.05-7.50	2.50-5.70	3.90-7.60
November	7.75-9.25	4.90-9.25	3.05-6.90	2.50-5.50	4.10-7.50
December	7.50-9.50	4.90-9.25	3.00-6.75	2.75-5.40	4.00-6.60
Range, 1909	6.20-9.50	4.90-9.25	2.90-7.50	2.50-5.85	3.60-7.60
Range, 1908	5.25-8.40	4.00-8.40	2.55-7.50	2.00-6.05	3.40-7.50
Range, 1907	5.30-8.00	3.95-7.50	2.35-6.25	2.00-6.35	3.00-6.75
Range, 1906	4.75-7.45	3.90-7.90	2.40-6.60	1.75-6.10	2.90-6.35
Range, 1905	4.40-6.80	3.00-6.85	2.25-6.80	1.50-6.45	2.60-5.25
Range, 1904	4.40-7.65	3.35-7.60	2.00-7.50	1.50-5.50	2.40-5.65
Range, 1903	4.10-6.75	3.35-6.85	2.50-5.50	1.50-5.20	2.55-5.10
Range, 1902	4.25-9.00	3.60-9.00	3.35-8.25	1.90-6.00	2.55-7.65
Range, 1901	4.80-9.00	3.60-8.00	2.00-8.00	1.65-5.15	2.75-5.75
Range, 1900	4.70-7.50	3.90-7.50	1.75-6.00	2.10-5.25	3.00-5.90
Range, 1899	4.60-8.25	4.00-8.25	2.00-6.85	2.50-5.40	3.10-6.75
Range, 1898	4.10-6.25	3.80-6.15	2.00-5.40	2.50-5.40	3.15-5.40

Valuation, cattle, 1909..... \$172,560,337
Valuation, calves, 1909..... 4,246,720

Fifty-two loads of fat "show" steers sold in the auction Thursday, Dec. 2, 1909, at \$9.50-\$15, or an average of \$11.44. The 52 loads averaged 1,331 pounds. A year ago 49 loads of fat steers sold in the auction at an average of \$9.13, the previous highest average on record.

Also the prices of leading articles from the Monthly Summary of Commerce and Finance for February, 1911, page 1455, showing prices of cattle:

Receipts and prices of cattle at Chicago.

[Furnished by the editor of the Shoe and Leather Reporter.]

Saturday.	Cattle at the Chi- cago stock yards during week.		Top price per 100 pounds for cattle on the hoof for each week.		
	Receipts.	Slaugh- ter.	Native steers.	Texas steers.	Cows.
1909.	Number.	Number.	Dollars.	Dollars.	Dollars.
June 12	39,358	24,246	7.25	6.75	6.85
June 19	37,578	22,553	7.25	6.75	7.10
June 26	38,455	22,146	7.35	6.90	6.85
July 3	43,391	29,090	7.50	6.85	7.10
July 10	44,022	27,339	7.40	6.70	6.75
July 17	49,207	32,704	7.40	6.75	7.50
July 24	53,041	32,914	7.65	6.40	6.50
July 31	40,098	23,317	7.45	6.50	6.50
Aug. 7	42,090	25,845	7.80	6.50	6.50
Aug. 14	53,832	32,122	7.55	7.25	7.50
Aug. 21	51,992	32,753	7.80	7.35	6.75
Aug. 28	57,482	36,946	7.85	7.20	7.00
Sept. 4	52,749	31,193	8.05	7.35	6.75
Sept. 11	61,482	35,769	8.30	7.50	6.50
Sept. 18	63,137	40,262	8.50	7.50	6.25
Sept. 25	67,729	40,229	8.40	7.25	6.00
Oct. 2	64,148	37,066	8.50	7.15	6.00
Oct. 9	63,358	35,826	8.80	7.20	6.15
Oct. 16	76,159	47,213	8.90	7.25	6.25
Oct. 23	85,616	49,397	9.00	7.25	6.25
Oct. 30	65,835	39,160	9.10	7.35	6.40
Nov. 6	75,248	44,646	9.10	7.30	6.50

Receipts and prices of cattle at Chicago—Continued.

Saturday.	Cattle at the Chicago stock yards during week.		Top price per 100 pounds for cattle on the hoof for each week.		
	Receipts.	Slaughter.	Native steers.	Texas steers.	Cows.
	Number.	Number.	Dollars.	Dollars.	Dollars.
1909.					
Nov. 13	68,063	36,600	9.25	7.35	6.50
Nov. 20	72,974	42,982	9.25	7.25	6.40
Nov. 27	76,940	44,119	9.20	7.15	6.25
Dec. 4	82,724	38,806	9.50	7.25	6.75
Dec. 11	77,078	46,255	9.25	7.15	6.75
Dec. 18	83,835	43,684	9.00	7.00	6.25
Dec. 25	55,273	28,887	8.75	7.00	6.25
1910.					
Jan. 1	60,583	32,621	8.50	7.00	6.15
Jan. 8	53,404	29,069	8.05	7.00	6.00
Jan. 15	63,908	35,593	8.10	7.05	6.40
Jan. 22	70,141	40,512	8.40	7.30	6.25
Jan. 29	64,462	36,827	7.70	6.85	6.00
Feb. 5	47,916	22,431	7.65	6.85	6.25
Feb. 12	59,166	31,989	8.00	6.35	6.40
Feb. 19	60,217	34,988	7.90	6.90	6.25
Feb. 26	56,560	33,432	8.10	7.00	7.10
Mar. 5	58,141	35,840	8.25	7.10	7.00
Mar. 12	54,482	31,017	8.40	7.20	6.65
Mar. 19	44,691	24,301	8.65	7.60	7.45
Mar. 26	46,682	28,851	8.85	7.75	7.85
Apr. 2	45,492	26,715	8.75	7.75	7.25
Apr. 9	28,312	13,171	8.65	7.70	7.35
Apr. 16	49,086	31,024	8.65	7.75	7.75
Apr. 23	59,116	38,901	8.50	7.60	7.85
Apr. 30	54,714	35,123	8.50	7.60	7.90
May 7	45,418	27,865	8.35	7.50	7.35
May 14	41,397	26,860	8.70	7.65	7.40
May 21	45,727	27,877	8.70	7.75	7.60
May 28	45,976	29,717	8.75	7.65	7.25
June 4	37,791	23,593	8.55	7.50	7.00
June 11	46,546	31,880	8.75	7.65	7.60
June 18	58,289	37,440	8.75	7.60	7.50
June 25	58,859	37,475	8.85	7.75	7.75
July 2	43,218	23,271	8.80	7.50	7.00
July 9	39,927	25,413	8.60	7.70	6.80
July 16	56,516	34,613	8.60	7.75	6.65
July 23	66,067	39,158	8.75	7.70	7.30
July 30	69,665	38,254	8.35	7.40	7.00
Aug. 6	50,185	25,066	8.50	7.65	7.25
Aug. 17	68,070	34,940	8.50	7.65	7.00
Aug. 20	68,380	30,255	8.50	7.75	6.90
Aug. 27	52,949	31,393	8.50	7.65	7.10
Sept. 3	60,287	35,243	8.30	7.60	6.85
Sept. 10	67,313	35,083	8.50	7.70	7.00
Sept. 17	69,156	38,166	8.35	7.65	7.00
Sept. 24	67,147	30,579	8.30	7.60	7.10
Oct. 1	70,316	38,904	8.20	7.25	7.10
Oct. 8	65,256	35,114	8.06	7.10	7.25
Oct. 15	73,919	42,556	8.00	7.20	6.80
Oct. 22	78,142	43,525	7.90	6.90	6.50
Oct. 29	77,577	45,178	7.90	5.75	6.50
Nov. 5	80,610	46,520	7.75	6.75	6.75
Nov. 12	87,711	50,601	7.60	6.75	6.25
Nov. 19	70,576	37,505	7.75	6.75	6.75
Nov. 26	53,711	30,982	7.40	6.55	6.25
Dec. 3	72,659	37,986	7.50	6.75	6.25
Dec. 10	79,231	43,554	7.35	6.60	6.75
Dec. 17	72,558	37,383	7.55	6.75	6.25
Dec. 24	53,706	29,485	7.25	6.60	6.00
Dec. 31	36,625	16,944	7.00	6.50	6.00
1911.					
Jan. 7	60,482	34,151	7.10	6.60	6.25
Jan. 14	59,770	31,895	7.00	6.50	6.10
Jan. 21	78,437	43,926	11.10	6.50	6.10
Jan. 28	63,382	30,619	7.00	6.40	6.10
Feb. 4	61,195	31,795	7.05	6.30	6.00
Feb. 11	42,640	22,074	7.00	6.40	6.00
Feb. 18	56,178	31,507	6.90	6.40	6.30
Feb. 25	58,256	31,929	7.05	6.40	6.10
Mar. 4	45,920	25,729	6.95	6.50	6.25
Mar. 11	46,943	23,565	7.35	6.60	6.15
Mar. 18	51,543	28,901	7.00	6.50	6.25
Mar. 25	45,844	23,498	6.65	6.40	6.25

Also a table from the Chicago Live Stock World in its issue of April 29, 1911, which calls attention to the recent slump in the values of live stock:

DISASTROUS SLUMPS IN VALUES OF LIVE STOCK—CATTLE, CALVES, HOGS, AND SHEEP
FIGURE IN SHARP DECLINES DURING APRIL—NEW LOW LEVEL FOR THE YEAR
HIT—CONSUMPTIVE DEMAND FOR MEATS AT LOW EBB—NEW CALF RECORD MADE—
MANY ADVERSE INFLUENCES.

Receipts for April, compared with corresponding period last year.

	1911	1910	Increase.	Decrease.
Cattle.....	184,112	192,259	.....	8,147
Calves.....	78,604	61,830	6,774	.....
Hogs.....	516,265	325,023	191,242	.....
Sheep.....	299,145	226,635	78,510	.....
Horses.....	12,255	8,387	3,868	.....
Cars.....	19,349	15,561	3,788	.....

Total receipts at Chicago Stock Yards for 1911 to date, including to-day's estimates, as compared with corresponding period of 1910.

	1911	1910	Increase.	Decrease.
Cattle.....	903,923	917,342	.....	13,419
Calves.....	188,887	153,734	35,153	.....
Hogs.....	2,535,930	1,861,671	674,259	.....
Sheep.....	1,376,980	995,166	381,814	.....
Horses.....	47,969	38,938	9,031	.....
Cars.....	89,320	75,602	13,718	.....

Shipments for April, compared with corresponding period last year:

	1911	1910	Increase.	Decrease.
Cattle.....	78,700	75,847	2,853	.....
Calves.....	890	1,384	.....	504
Hogs.....	129,190	92,822	36,368	.....
Sheep.....	53,270	23,496	29,774	.....
Horses.....	9,645	6,635	3,010	.....
Cars.....	6,155	4,977	1,178	.....

The total shipments at Chicago Stock Yards for 1911 to date, including to-day's estimates, as compared with corresponding period of 1910, are as follows:

	1911	1910	Increase.	Decrease.
Cattle.....	410,018	387,859	22,159	.....
Calves.....	6,850	6,559	29	.....
Hogs.....	654,942	499,574	155,368	.....
Sheep.....	182,268	138,599	43,669	.....
Horses.....	42,178	31,593	10,585	.....
Cars.....	29,412	25,426	3,986	.....

Chicago receipts by months for 1911 to date are as follows:

Receipts by months.

	Cattle.	Calves.	Hogs.	Sheep.	Horses.
January.....	293,765	33,667	640,038	417,577	9,924
February.....	212,542	29,092	651,064	340,915	11,831
March.....	211,403	58,324	701,685	319,223	14,350
April.....	184,112	78,604	516,265	299,145	12,255

HEARINGS ON THE TARIFF.

April receipts by years.

Years.	Cattle.	Calves.	Hogs.	Sheep.
1902.....	211,766	34,859	556,929	254,129
1903.....	279,721	37,546	527,242	274,993
1904.....	246,299	35,532	558,122	301,301
1905.....	236,664	54,097	559,638	341,653
1906.....	242,165	51,070	502,951	366,953
1907.....	282,192	62,759	583,209	339,043
1908.....	205,840	56,962	493,344	285,200
1909.....	180,279	47,142	482,495	275,991
1910.....	192,259	61,830	325,023	220,635
1911.....	184,112	78,604	516,265	299,145

April shipments, by years.

Years.	Cattle.	Calves.	Hogs.	Sheep.
1902.....	67,372	1,944	133,177	41,179
1903.....	103,522	2,343	87,341	24,758
1904.....	107,867	1,158	188,002	51,324
1905.....	106,717	2,083	198,917	95,487
1906.....	100,781	811	148,573	91,052
1907.....	117,262	1,176	149,154	84,174
1908.....	106,059	1,694	191,735	100,166
1909.....	84,013	1,494	171,201	54,024
1910.....	75,847	1,384	92,822	23,496
1911.....	78,700	880	129,190	53,220

Average cattle prices.

	January.	February.	March.	April.	April, 1910.
Beef steers.....	\$6.20	\$6.10	\$6.20	\$6.00	\$7.55
Stkrs and fdrs.....	5.00	5.10	5.20	5.00	5.55
Fat cows.....	4.15	4.20	4.40	4.35	5.40
Heifers.....	4.75	4.80	4.90	5.00	5.90
Cnrs and ctrs.....	3.10	3.00	3.10	3.00	3.60
Bulls.....	4.55	4.65	4.65	4.65	5.40
Cows.....	8.25	8.10	7.30	6.40	7.80

Average hog prices.

	1911	1910
January.....	\$7.90	\$8.55
February.....	7.35	9.00
March.....	6.85	10.30
April.....	6.25	9.90

Average sheep and lamb prices.

	January.	February.	March.	April.	April, 1910.
Northern sheep.....	\$3.65	\$4.00	\$4.25	\$4.10	\$7.25
Western sheep.....	4.15	4.20	4.50	4.30	7.60
Northern lambs.....	5.95	5.85	5.80	5.25	8.10
Western lambs.....	6.15	6.00	6.00	5.40	8.65
Colorado lambs.....	6.20	6.15	6.20	5.70	8.65
Yearlings.....	5.10	5.05	5.15	4.85	8.00

In the pamphlet entitled "Beef Raising in Canada," heretofore submitted and printed, the prices at which finished steers are sold is repeatedly stated. A comparison of those prices with the quotations which we have introduced in the various price lists, herewith sub-

mitted, conclusively show that Canadian cattle are and have been on the average of less value than cattle in the United States.

I wish furthermore to remark that the prices of meat in London do not justify a higher price for export steers, either in this country or Canada, than is being paid to-day, and that is from 1½ to 2 cents per hundred pounds below the prices prevailing a year ago and for a long time previous, as is shown by the article and price lists in the Chicago Live Stock World, submitted herewith.

Answering the suggestion made by Senator Stone in connection with the question which he put to Mr. Lasater, wherein Senator Stone read from statistics the total supply of cattle on the American Continent and wherein he asked Mr. Lasater whether the world's supply could be produced (the question will show for itself), I desire to submit Table No. 13 of Bulletin 55, to which bulletin I referred repeatedly in my argument, to show that the total world's supply of cattle was therein estimated at 424,499,238 head, and the number of all meat animals is given by countries of the world. The table is submitted in connection with the other documents.

Chief meat animals of the world.

[Africa incompletely represented, through lack of statistics for large areas. Number of animals in China Persia, Afghanistan, Korea, Bolivia, Ecuador, Salvador, and several less important countries unknown For Brasil number of cattle alone estimated, but roughly.]

Countries.	Cattle.		Goats.		Sheep.		Swine.	
	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.
Algeria.....	1,066,404	0.2	4,030,208	4.4	9,062,636	1.5	91,267	0.1
Argentina.....	30,000,000	7.1	3,100,000	3.4	120,000,000	19.7	800,000	.6
Australia.....	8,525,025	2.0	84,338	.1	74,403,604	12.2	1,014,853	.7
Austria-Hungary.....	17,533,876	4.1	2,775,523	3.1	13,974,428	2.3	12,675,239	9.0
Belgium.....	1,788,328	.4	257,669	.3	235,722	(¹)	1,046,519	.7
Brazil.....	30,000,000	7.1						
British India.....	*88,920,714	20.9	28,287,635	31.0	*21,266,729	3.5		
Bulgaria.....	1,596,267	.4	1,370,201	1.5	8,081,816	1.3	463,241	.3
Canada.....	7,282,148	1.7			2,971,212	.5	2,875,692	2.0
Cape of Good Hope.....	1,954,390	.5	7,162,463	7.9	11,818,829	1.9	385,945	.3
Colombia.....	2,800,000	.7	361,000	.4	746,000	.1	2,300,000	1.6
Denmark.....	1,840,466	.4	38,984	(¹)	876,830	.2	1,456,669	1.0
France.....	14,315,552	3.4	1,476,957	1.6	17,783,209	2.9	7,558,779	5.4
Germany.....	19,331,568	4.6	3,329,881	3.7	7,807,173	1.3	18,920,666	13.4
Italy.....	*5,000,000	1.2	1,800,000	2.0	*6,900,000	1.1	*1,800,000	1.3
Japanese Empire.....	1,269,602	.3	189,335	.2	3,690	(¹)	1,204,531	.9
Mexico.....	5,142,457	1.2	4,206,011	4.6	3,424,430	.6	616,139	.4
New Zealand.....	1,810,936	.4	9,055	(¹)	19,130,875	3.1	249,727	.2
Philippine Islands.....	127,559	(¹)	124,334	.1	30,428	(¹)	1,179,371	.8
Portugal.....	817,000	.2	998,680	1.1	3,094,100	.5	1,200,000	.9
Roumania.....	2,545,051	.6	232,515	.3	5,665,444	.9	1,709,205	1.2
Russia, Asiatic.....	10,259,640	2.4	2,552,086	2.8	24,631,258	4.0	1,350,800	1.0
Russia, European.....	37,566,825	8.8	1,114,000	1.2	58,889,464	9.7	11,870,841	8.4
Spain.....	2,075,142	.5	2,385,664	2.6	13,026,612	2.1	1,743,863	1.2
Turkey and Crete.....	1,000,000	.2			10,000,000	1.7		
Turkey, Asiatic.....	3,000,000	.7	9,000,000	9.9	45,000,000	7.4		
United Kingdom.....	11,691,955	2.8			29,210,035	4.8	3,680,740	2.5
United States, on and off farms and ranges:								
Contiguous.....	74,150,422	17.5	1,948,952	2.2	53,471,301	8.8	56,612,114	40.1
Noncontiguous *.....	363,151	.1	16,644	(¹)	108,461	(¹)	74,247	(¹)
Total United States.....	74,513,573	17.6	1,965,596	2.2	53,579,762	8.8	56,686,361	40.1
Uruguay.....	6,827,428	1.6	20,428	(¹)	18,608,717	3.1	93,923	.1
Venezuela.....	2,004,257	.5	1,667,272	1.8	176,668	(¹)	1,618,214	1.1
Other countries.....	31,913,075	7.5	12,611,651	13.8	29,348,399	4.8	6,834,980	4.8
Total.....	424,499,238	100.0	91,151,486	100.0	609,806,860	100.0	141,327,595	100.0

* Less than 0.05.

* Including buffalo calves.

* Of which 373,003 in Alwar include goats.

* Data for 1890.

* Includes Philippine Islands.

Statement of the net average price per head on cattle sold by the Matador Land & Cattle Co. (Ltd.) for the years 1893 to 1909, both inclusive.

	1893	1894	1895	1896	1897	1898	1899	1900	1901
2-year-old steers.....	\$17.50	\$17.09	\$25.83	\$24.00	\$25.08	\$28.00	(1)	(1)	(1)
3-year-old steers.....	22.01	22.96	27.31	25.48	27.75	31.83	\$33.00	\$33.35	\$32.93
4-year-old steers.....	(1)	34.68	35.05	31.19	37.31	43.21	49.31	46.54	45.76
Cows.....	11.82	14.11	16.68	15.62	19.60	22.32	20.16	18.71	13.91
Bulls (old).....	14.05	24.18	14.90	18.53	30.26	31.45	36.44	22.92	28.23

	1902	1903	1904	1905	1906	1907	1908	1909
2-year-old steers.....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
3-year-old steers.....	\$32.56	\$29.37	\$28.00	\$30.02	(1)	(1)	\$34.00	\$33.94
4-year-old steers.....	50.51	34.75	31.85	34.66	\$41.95	\$43.13	\$47.58	\$50.37
Cows.....	13.66	12.65	12.01	13.67	18.58	14.62	21.85	23.16
Bulls (old).....	24.87							

¹ Where figures are not entered in the foregoing statement, no sales were made.

² The cattle that were grazed in Canada and sold on the market in Chicago netted \$50.07 per head in 1908.

³ The cattle that were grazed in Canada and sold at the ranch in Canada netted \$54 per head in 1909.

I hereby certify that the above statement is correct to the best of my knowledge and belief.

EDWARD O. MACKENZIE, *Manager.*

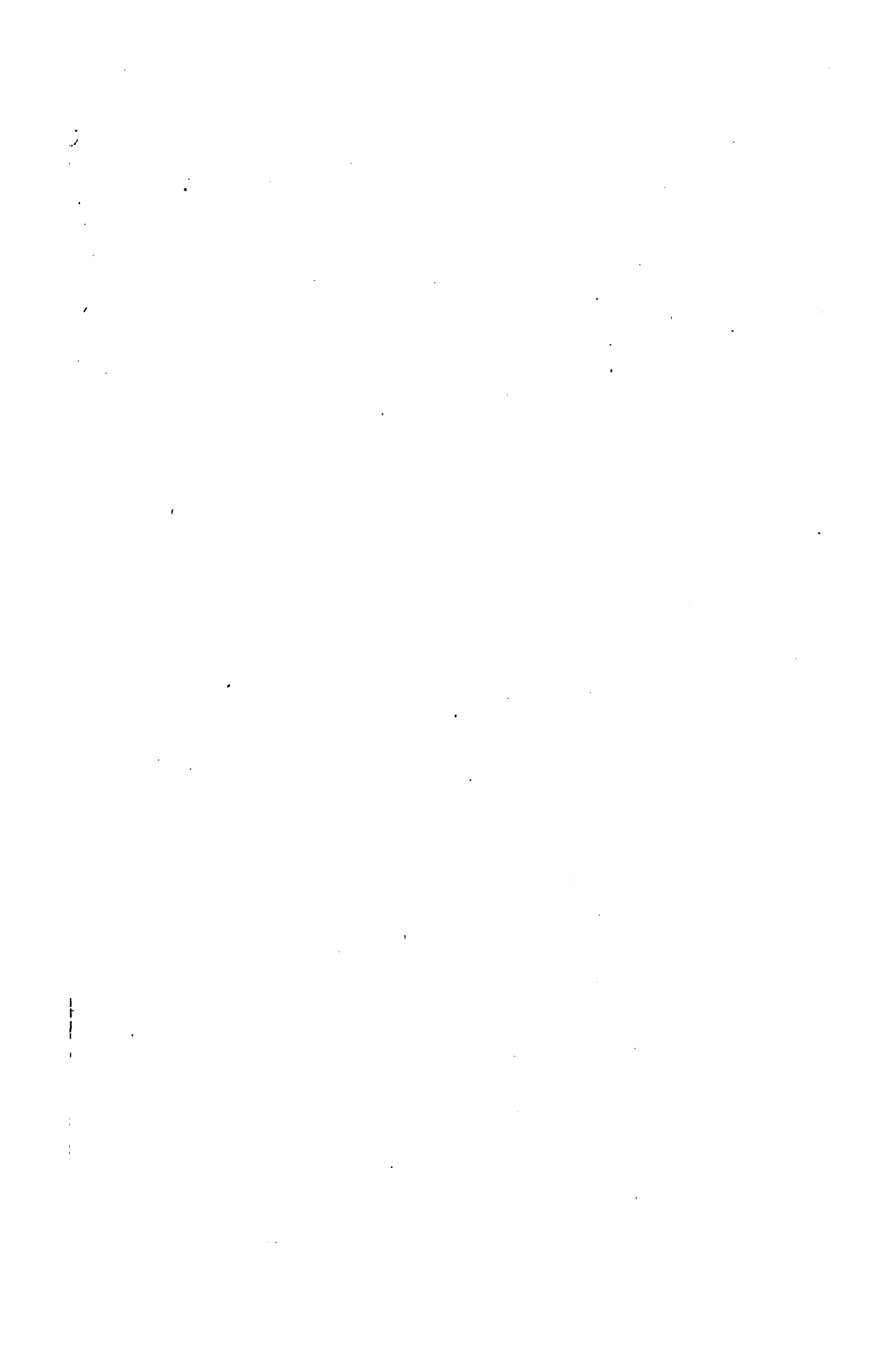
This statement was acknowledged before me this 4th day of April, 1910.

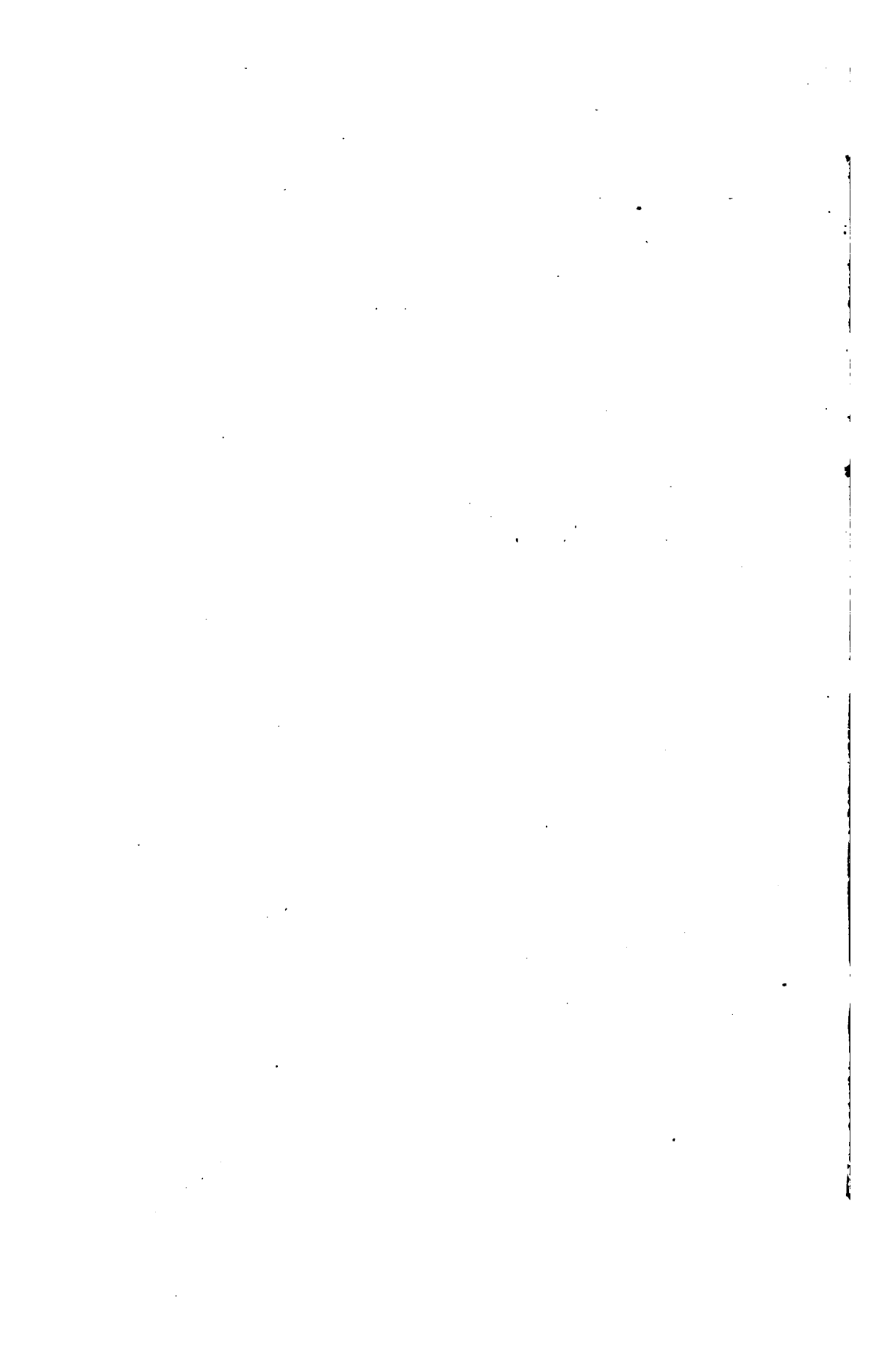
My commission expires January 5, 1914.

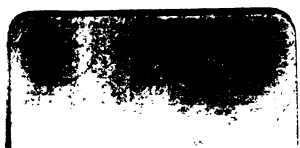
[SEAL.]

WILLIAM R. CHAPMAN,
Notary Public.

The committee thereupon discontinued the hearing on H. R. 4413, and resumed the hearing on H. R. 4412.







LIBRARY OF CONGRESS



0 010 094 824 2